

Purchasing Week

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Price Perspective	2
Washington Perspective	4
Purchasing Week Asks	11
Profitable Reading for P.A.'s	22
Foreign Perspective	30
New Products	32

Buyers Put Reverse Twist on the Hard Sell

GAO 'Watchdogs' Step Up Their Pace

Teams of Government Examiners Roam Country Checking Policies of Top Defense Contractors

Washington—In dozens of industrial companies across the country this week, teams of special government examiners are roving the premises.

The examiners are armed with powers, most of them unwritten, to inspect and call for changes in any phase of operation concerned with carrying out a government contract.

They will be checking into purchasing practices, inventory controls, pricing policies, production programming and subcontracting procedures.

The examiners may be in a missile plant in California, a shipyard in Virginia or an electronics factory in Illinois. But during the course of the year they will police the operations of 250 top defense contractors from Hughes Aircraft to General Motors.

Similar examinations will be conducted for about the same number of non-defense contractors ranging from the Chicago & Northwestern Ry. Co. to Princeton University.

• As a result of its audit in-

vestigations, GAO has aimed a blistering criticism at the Air Force and 14 of its contractors in negotiating awards. GAO accuses the Air Force of slipshod controls and failure to review cost data adequately.

GAO accused the Boeing, Lockheed and McDonnell aircraft companies among others of wilfully submitting prices higher than a company knew it would have to pay in subcontracting out work.

• Similar charges were levelled at the Navy for a series of contracts negotiated with General Motors, Philco, Bell Helicopter, McDonnell, and eight other contractors. In some cases, GAO



GAO CHIEF CAMPBELL

charged that its investigations showed that contract prices were negotiated before the contractors had adequate experience in their (Turn to page 6, column 1)

Emphasis Is Teamwork As Cost Pressures Put Heat on Purchasers

New York—Purchasing men are working overtime these days to keep the lines of communications clear between themselves and their suppliers. The reason: By achieving a closer working partnership, they hope to combat cost pressures and take advantage of swift technological developments.

One top sales executive of a leading New York paper company puts it this way: "Purchasing agents are no longer the death of a salesman. Today they are kinsmen."

And PURCHASING WEEK editors and correspondents around the nation found plenty of evidence this week to back up that statement. A vast number of companies are now staging vendor seminars, vendor dinners, and vendor round-table discussions on a regular basis. Today, throughout industry, the word is "cooperation."

Some firms are lavishing a great deal of attention on such programs, and dressing them up with impressive names: "Operation Mutual Profit," "Vendor Evaluation for Better Business," and even "The Society for the Procurement, Propagation, and Preservation of Good Fellowship Among Suppliers."

Most buyers queried in the PW survey said that developing good relations with vendors has always been an important part of their daily operations. However, the majority pointed out they currently are placing greater emphasis (Turn to page 44, column 1)

Centralized State Buying Is Paying Off Big For New Jersey, Oklahoma

The latest purchasing management techniques are piling up savings for taxpayers all over the country.

At a New Jersey State Bureau of Property and Purchase seminar in Trenton last week the savings scoreboard showed \$769,000 in savings, with a potential of millions more. Director of the Bureau, Charles F. Sullivan gave credit to centralized, state-wide pool buying, open-end contracts (where vendors give a fixed per-unit cost under bids for a specified time) and standardization.

"Standardization and open end contracts go hand in hand. They give us the means to get the best quality at the lowest price. For every dollar spent on standardization, you get \$6 in benefits," Sullivan said. He spoke before 200 buyers from New Jersey State agencies, the N. J. Turnpike, the Port of New York Authority, and the Garden State Parkway.

Other states are finding ways (Turn to page 15, column 1)

Capital Equipment Plans Now Push 14% Ahead of the 1959 Buying Pace

Washington—Despite recent disappointments in auto sales, credit demands, and the stock market, there's a reservoir of optimism among American businessmen.

Latest sign of good cheer: The Securities and Exchange Commission-Department of Commerce report of plant and equipment spending plans. The report says that industry expects to spend \$37-billion this year on capital investments.

New Phenolic Kraft Board Can Be Used in Electronic Housings and Appliances

Monroe, Mich.—Consolidated Paper Co. has come up with a new phenolic kraft board that it expects will replace conventional materials in a variety of products.

Consolidated said the new material can be used in such applications as household furniture, appliances, and electronic housings. It also cites the paper's good noise reduction qualities as an asset in vacuum cleaners.

Consolidated buys scrap kraft paper, reprocesses it, impregnates it with phenolic resin to make into sheets up to 66 in. by 72 in.

The board is placed in a steam (Turn to page 44, column 3)

Are the Big Boys Forcing Smaller Fabricators Out?

New York—Are large integrated raw materials producers trying to price independent fabricators out of the market?

Independent aluminum extruders say yes. In a recent protest to the "Big Three" aluminum producers, the independents charged Aluminum Co. of America, Reynolds Metals Co., and Kaiser Aluminum Co. with maintaining domestic pig prices above levels at which the metal is sold overseas.

"At the same time," charged Walter Gebhart, executive secretary of the Aluminum Extruders (Turn to page 43, column 3)

This Week's

Purchasing Perspective

MARCH 14-20

SPRING THAW—It's still an odds-on bet that even without an inventory binge, 1960 business activity will set new peaks in industrial production and Gross National Product.

Businessmen who told government economists they plan substantial increases in capital expenditures this year (see story above) flavored their latest sales forecasts with a similar brand of optimism.

Durable goods manufacturers predicted a 10% sales boost this year. Non-durable manufacturers indicated a 6% increase, while wholesale and retail firms settled on a 5% upturn over 1959.

Assessing these new figures in the light of the recent downward revisions in key week-to-week indicators such as steel and autos, one can assume that 1960's prosperity will likely hold a steady course with sufficient momentum to carry forward into 1961.

INVENTORY ASSESSMENT—Some interesting changes occurred in manufacturing inventory stocks between December and January that don't stand out in a cursory glance at the office (Turn to page 43, column 1)

P/W PANORAMA

• **New Common Language** for designating purchased parts paid off for Beckman Instruments. An up-to-date system for spelling out the details might help you in reducing inventory and buying costs. Learn how Beckman did it on pp. 38-39.

• **Used Machinery Prices** have backed down again. Last month's auctions showed the buyer holding firm control of the market. See p. 26 for a rundown on latest prices and upcoming sales.

• **Purchasing Needs Engineering** and vice versa, but communications between the functions could be improved. A West Coast engineering consultant asked P.A.'s why engineers often rankle them in buying decisions. Read p. 9 for their answers.

• **Electronics Firms Face** nothing but good news ahead in '60, and buyers can expect the same—in terms of steady prices. The outlook for the industry is described on p. 3.

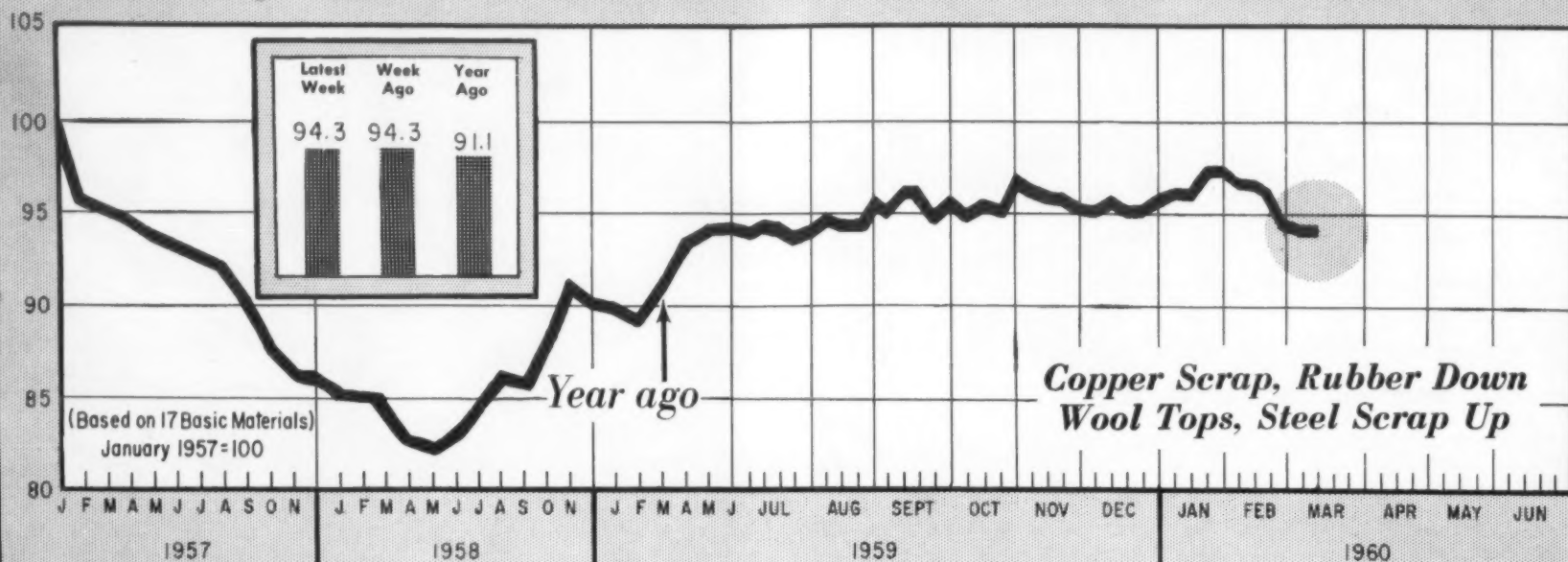
NEW



The fine print in purchasing contracts is a constant headache. That's why you'll want to read PURCHASING WEEK's new column "The LAW and YOU." For it spells out for you some of the things you should know about law, taxes, arbitration. See it on p. 19.

Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

METALS

	Mar. 9	Mar. 2	Year Ago	% Yrly Change
Pig iron, Bessemer, Pitts., gross ton.....	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton.....	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton.....	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.....	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.....	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.....	5.975	5.975	5.975	0
Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.....	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton.....	36.00	36.00	44.00	-18.2
Steel scrap, #1 heavy, del. Cleve., gross ton.....	33.00	36.00	42.50	-22.5
Steel scrap, #1 heavy, del. Chicago, gross ton.....	31.00	33.00	42.00	-26.2
Aluminum, pig, lb.....	.26	.26	.247	+ 5.3
Secondary aluminum, #380 lb.....	.25	.25	.218	+14.7
Copper, electrolytic, wire bars, refinery, lb.....	.326	.327	.311	+ 4.8
Copper scrap, #2, smelters price, lb.....	.245	.253	.268	- 8.6
Lead, common, N.Y., lb.....	.12	.12	.115	+ 4.3
Nickel, electrolytic, producers, lb.....	.74	.74	.74	0
Nickel, electrolytic, dealers, lb.....	.74	.74	.74	0
Tin, Straits, N.Y. lb.....	1.001	1.008	1.028	- 2.6
Zinc, Prime West, East St. Louis, lb.....	.13	.13	.11	+18.2

FUELS†

Fuel oil #6 or Bunker C, Gulf, bbl.....	2.00	2.00	2.00	0
Fuel oil #6 or Bunker C, N.Y. barge, bbl.....	2.37	2.37	2.37	0
Heavy fuel, PS 400, Los Angeles, rack, bbl.....	2.15	2.15	2.15	0
Lp-Gas, Propane, Okla. tank cars, gal.....	.045	.045	.055	-18.2
Gasoline, 91 oct. reg., Chicago, tank car, gal.....	.11	.11	.115	- 4.3
Gasoline, 84 oct. reg., Los Angeles, rack, gal.....	.11	.112	.117	- 6.0
Kerosene, Gulf, Cargoes, gal.....	.09	.09	.104	-13.5
Heating oil #2, Chicago, bulk, gal.....	.088	.088	.11	-20.0

CHEMICALS

Ammonia, anhydros, refrigeration, tanks, ton.....	90.50	90.50	90.50	0
Benzene, petroleum, tanks, Houston, gal.....	.34	.34	.31	+ 9.7
Cautic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut, oil, inedible, crude, tanks, N.Y. lb.....	.19	.193	.208	- 8.7
Glycerine, synthetic, tanks, lb.....	.293	.293	.278	+ 5.4
Linseed oil, raw, in drums, carlots, lb.....	.171	.171	.163	+ 4.9
Phthalic anhydride, tanks, lb.....	.165	.165	.165	0
Polyethylene resin, high pressure molding, carlots, lb.....	.325	.325	.35	- 7.1
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	13.70	13.70	9.85	+39.1
Shellac, T.N., N.Y. lb.....	.31	.31	.30	+ 3.3
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.058	.058	.074	-21.6
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0

PAPER

Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.....	17.20	17.20	17.00	+ 1.2
Bond paper, #1 sulfite, water marked 20 lb, car. lots, cwt.....	25.20	25.20	24.20	+ 4.1
Chipboard, del. N.Y., carlots, ton.....	100.00	100.00	95.00	+ 5.3
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.25	9.25	9.00	+ 2.3
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle.....	6.30	6.30	6.40	- 1.6
Old corrugated boxes, dealers, Chicago, ton.....	20.00	20.00	23.00	-13.0

BUILDING MATERIALS‡

Cement, Portland, bulk carlots, fob New Orleans, bbl.....	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.....	4.18	4.18	4.29	- 2.6
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.....	124.00	124.00	127.00	- 2.4
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.....	137.00	137.00	136.00	+ .7
Douglas fir, 2x4, s4s, carlots, fob Toronto, mftbm.....	105.00	118.00	115.00	- 8.7

TEXTILES

Burlap, 10 oz. 40", N.Y., yd.....	.106	.106	.102	+ 3.9
Cotton middling, 1", N.Y., lb.....	.333	.333	.357	- 6.7
Printcloth, 39", 80x80, N.Y., spot, yd.....	.22	.22	.187	+17.6
Rayon twill 40½", 92x62, N.Y., yd.....	.235	.235	.22	+ 6.8
Wool tops, N.Y., lb.....	1.50	1.47	1.405	+ 6.8

HIDES AND RUBBER

Hides, cow, light native, packers, Chicago, lb.....	.20	.20	.22	- 9.1
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.402	.410	.314	+28.0

† Source: Petroleum Week ‡ Source: Engineering News-Record

This Week's

Price Perspective

MARCH 14-20

OVERSUPPLY PROBLEMS are starting to crop up in a lot of areas.

• **In raw materials**—suppliers in many lines (including textiles, oil, wood, copper, and steel) find themselves with growing inventories. The reason? A combination of full-scale raw material production—plus only fair to middling industrial demand. Result: shaky tags.

• **In finished goods**—less than anticipated consumer and capital equipment buying has created a similar stock problem for many fabricators. Result: cutbacks in many manufacturing lines—and a few more cutbacks still "around the corner."

Much the same outlook faces overseas suppliers. With capacity greater than demand, many foreign producers of primary products are beginning to fret about rising world stocks. Producers in Malaya and Bolivia are worried about tin; in Chile they're concerned about copper.

It means you can look for renewed foreign pressures to stabilize world commodity tags by means of special support programs.

CRUDE MATERIAL BUILDUP is highlighted by a few startling statistics.

In the beginning of February, over-all crude stocks—despite recent strikes—were less than 2% below the sky-high hedge levels of last June and July. They were actually 8% above the levels reported a year ago—just as the hedge buying spree was getting under way.

That 8% is just about in line with the increase in sales over the period. Thus, the average P.A.'s day's supply of raw materials on February 1 was about the same as a year ago.

Note this is an average. It means that many firms as long ago as early February had a higher-than-year-ago day's supply of raw materials.

IT'S NO WONDER then that crude material repercussions are being felt on a broad industrial front.

In steel—not even the most optimistic steel producers expect the current "90% plus" rate of activity to continue. An 85% level in the second quarter is the figure most often mentioned.

In copper—dealer prices are sliding fast. They're already down to 33¢ a lb.—the same as producers charge.

In lumber—Douglas fir plywood prices declined as much as \$4 a thousand square feet—reflecting a growing inventory pileup.

And the glut extends to soft goods. Distributor inventories of print cloth, for example, are building up. Resulting distributor price weakness could spread to mills—despite the fact that wage costs are going up some 5%. More important, it could mean mill cutbacks later this year.

SPOTTY FINISHED GOODS GLUTS are also beginning to appear.

• **Autos**—New car inventories have been climbing steadily—and are now close to the one million unit mark. All members of the "Big Three" are affected. Ford is cutting in half its car assemblies at its big Mahwah, N. J. plant. Chrysler and Buick have just laid off a total of over 2,000 employees. And more cuts are in the cards unless sales pick up.

• **Equipment**—A faster-than-anticipated buildup—not matched by a sales increase—has forced production cutbacks at Allis Chalmers plants making road and farm equipment. Deere and Co.—another big farm equipment producer—reports employment down 10% below a year ago.

One bright spot: the Commerce Department's new outlook for plant and equipment spending. It calls for a 14% boost in capital outlays (see p. 1). But a word of caution: These are plans—and still have to be translated into orders.

Electronics Industry Foresees a \$10.3-Bil. Year

Heavy Competition, Solid Financial Strength Of Many Big Makers Should Result in Stable Prices

New York—The 1960 outlook for the electronics industry is best summed up in comments from two separate quarters:

• **Litton Industries** reports that it will be able to absorb all wage hikes and cost increases over the coming year.

• **Texas Instruments** predicts that nearly 50% of present-day electronics circuitry can be built around solid circuit semi-conductors.

Put together, those scraps of information lend substance to industry predictions of a \$10.3-billion sales year (compared with a \$9.2-billion sales year in 1959). And, according to all the signs, prices should remain close to 1959 levels because of increasing competition and the solid financial position of many electronic firms.

But it's hard work to come up with definite item-by-item price predictions because there are so many fast-breaking developments in the electronic field that one year's price tag is not really comparable with the next year's.

Take the home consumption sector of the industry, for example. 1960 is expected to see TV, radio and hi-fi sales increase more than 12½% to \$2.2 billion.

But a great part of this increase will be accounted for by vastly improved goods: color TV, miniature radios, and high-fidelity systems.

The Defense department—biggest purchaser of electronics—looks at it this way: Prices paid by the military increased 1 to 2% over the past budget year, but rises are largely because of "state-of-the-art" advances.

The two major factors keeping electronics prices firm are:

• **Demand.** The industry is extremely bullish about 1960 prospects. Electronic equipment—other than for the home consumption sector mentioned above—is slated for a 16% sales increase; semi-conductors—transistors, diodes, and rectifiers—should jump 27%; electron tubes, about 6%; other electronic components, 12½% (see chart above).

• **Research outlays.** As is to be expected in an industry characterized by new and changing products, research and marketing is a major and growing expense.

And successful research makes for a further cost burden in rapid obsolescence of products and materials.

Take computers, for instance. If the large scale transistorized computer designed for business use—recently introduced by I.B.M.—meets the enthusiastic expectations the company has for it, it would mean much overhauling and scrapping of previous models.

Or look at the work Westinghouse and others are doing in molecular electronics—a branch of research that promises to drastically reduce the number and size of parts needed.

Though wide commercial application of molecular electronics is still far in the future, it is freely predicted that its use will render obsolete large inventories of wiring, resistors, transistors, transformers, fasteners, chassis frames,

cabinets, and other electronic items.

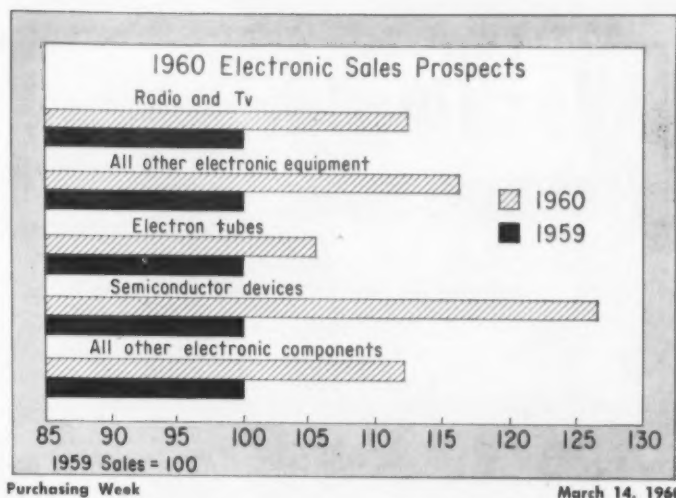
But, while the high cost of research and the pull of strong demand will keep prices firm, there are countervailing forces that will prevent any significant price increases in established lines.

• **Competition.** All firms in the industry are girding themselves for fierce competition from both domestic and foreign sources.

Japan poses the greatest foreign threat to domestic producers. In recent years, she has tremendously increased her sales of transistors and miniature radios in the American market.

• **Cost-cutting innovations.** Competition has generated an intensive drive to reduce manufacturing costs. Improved ways of making transistors is reported as one recent major development.

• **Company financial position.** A fine 1959 year has left many electronics firms in a good position to absorb cost increases.



Facts of Light!



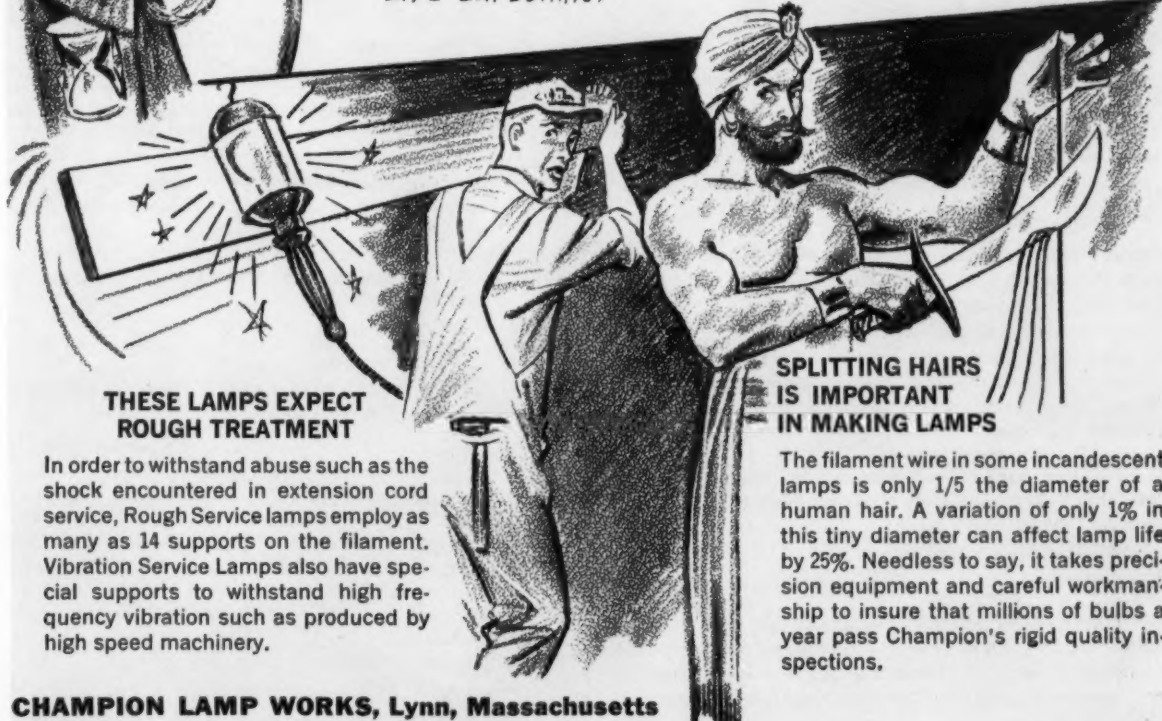
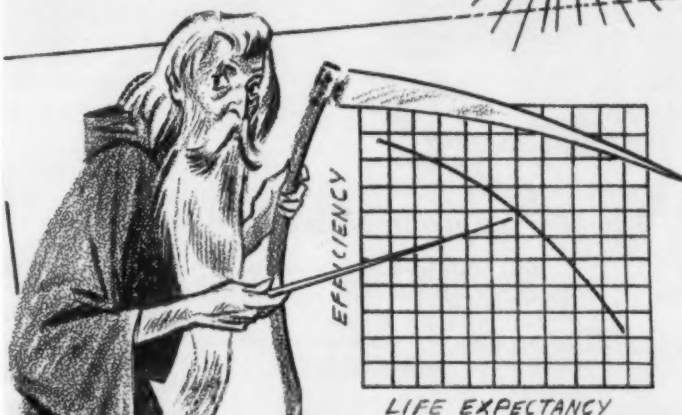
YOU SPEND NEARLY \$2.50 TO OPERATE A 25 CENT LAMP

The electric power required to operate a 25 cent incandescent lamp will amount to nearly \$2.50 before the lamp burns out. The efficiency with which a lamp converts electric power into usable light, then, is an important factor in considering lamp value.



YOU CAN'T GET BOTH HIGH EFFICIENCY AND LONG LIFE IN INCANDESCENT LAMPS

General service incandescent lamps are designed so that the ratio between life and efficiency results in lowest overall lighting cost for the average installation. When efficiency is increased, lamp life is shortened. When lamp life is extended, efficiency goes down. Occasionally it makes sense to sacrifice efficiency for long life; for instance, when installing "long life" reflector lamps in inaccessible locations to minimize the high maintenance costs.



THESE LAMPS EXPECT ROUGH TREATMENT

In order to withstand abuse such as the shock encountered in extension cord service, Rough Service lamps employ as many as 14 supports on the filament. Vibration Service Lamps also have special supports to withstand high frequency vibration such as produced by high speed machinery.

SPLITTING HAIRS IS IMPORTANT IN MAKING LAMPS

The filament wire in some incandescent lamps is only 1/5 the diameter of a human hair. A variation of only 1% in this tiny diameter can affect lamp life by 25%. Needless to say, it takes precision equipment and careful workmanship to insure that millions of bulbs a year pass Champion's rigid quality inspections.

CHAMPION LAMP WORKS, Lynn, Massachusetts
CHAMPION INCANDESCENT-FLUORESCENT • YOUR BEST BUY IN LAMPS

Washington Perspective

MARCH 14-20

An Administration deal promising faster tax write-offs for business concerns has run into a "show me" attitude on the part of some key industries.

At the wind-up of hearings before the tax-writing Ways and Means Committee of the House of Representatives, George Terborgh of the Machinery and Allied Products Institute said:

"There is often a wide gap between the declared policy of Washington officials and the practice of revenue agents in the field."

Terborgh was testifying on the promise of Secretary of the Treasury Robert Anderson to instruct Internal Revenue agents—who have great discretion in allowing tax deductions—to be more lenient in allowing businessmen the rate of depreciation they think they should have, instead of strictly adhering to the book . . . in this case, the famed IRS Bulletin F.

Ways and means is considering the first half of the Anderson proposal—that legislation should be passed to tax income from the sale of fully depreciated property at corporate income tax rates (usually 52%) instead of the 25% capital gains rate, as the present law permits.

Anderson contends that the present rule amounts to a loophole for some firms who get a quick writeoff on assets which still have a high market value when fully depreciated. Anderson claims that taxpayers pay some \$300-million a year less in taxes under existing law than they would if the proposed legislation is enacted.

Here's how the thing works, according to Treasury officials—particularly for rental auto firms. If such a firm is allowed a two-year writeoff on a \$3,000 car, it deducts \$1,500 a year from its income each year, presumably to buy another car to replace the depreciated asset.

However, the firm can sell the car for \$1,000 on the used car market—and pay only the 25% capital gains rate on the \$1,000. Anderson says that this \$1,000 should be taxed at the regular corporate income tax rate, and that companies which can turn over an asset rapidly—as in this hypothetical case—are getting an unintended tax break.

Other industries are opposing the proposal, too—the coal producers and non-ferrous mining companies, for instance. They say the proposal goes beyond what the Treasury says it intends to do—that its effect would be to hamper the sale of mining machinery in order to finance modernization of mining.

Furthermore, the coal people say that the bill as proposed would change the tax rate on depreciated assets held for a relatively short time and as a continuous repeated operation of the taxpayer—rental autos, for instance—but also to the sale of depreciated assets as part of the sale of a going business.

Such sales of a business should be exempted from any new legislation, is the argument, because the purpose is not to convert ordinary income into capital gains, as the Treasury contends happens in the cases it wants to reach.

• • •

A new study is being planned to learn what would disarmament mean to the economy. Foreign Relations Subcommittee on Disarmament will seek views of top management in, at least, 100 firms most heavily engaged in defense projects. The subcommittee, headed by Sen. Hubert Humphrey, (D-Minn.), hopes to have questionnaires in the mail within the month. Industry replies will be incorporated into a subcommittee staff study to be published late this year.

Political pressures have forced Commerce officials to postpone for the third time the effective date on which Buy American regulations must be followed by state highway departments in awarding contracts for the multi-billion dollar federal aid highway construction.

The law requires that domestic suppliers be given only a 6% differential—12% in some cases—in meeting the price competition coming from abroad. Importers of reinforcing bars and cement have been undercutting domestic prices by as much as 25% in states within easy reach of Coastal and Gulf ports.

The regulation originally was to become effective last July—and the latest March 1 deadline was extended to May 1 after Governor David Lawrence and other Pennsylvania officials personally protested its impact on employment in their plants.

Rail Agency Hits ICC Incentive Rate Ban

New York—Railway Express called on the ICC last week to vacate its suspension of incentive rates on wearing apparel—a major barrier in the agency's program to add more low rates for volume shippers.

The new incentive rates, applying to prepaid and collect shipments of wearing apparel totaling 300 lb. or more, had been scheduled to go into effect last Feb. 7. The ICC suspended the rates, however, on protests from freight forwarders and truckers.

Key in Reorganization

The wearing apparel rates had been a key step in the agency's reorganization program and were to be followed by many other "low rates" on industrial items. Express officials estimated that the clothing industry shipments alone, attracted by the lower costs would have meant some \$40 million a year in additional revenue.

Some incentive rates now in effect at the agency cover shipments of such commodities as printed matter, builders' hardware, farm implements and parts, tufted textile products, insecticides, biological products and laboratory equipments, and electric tools.

While each of these commodity rates had resulted in protests at the time they were approved, the ICC had rejected the protests and called the new tariffs "not in any respect unlawful."

"This suspension could mean the end of our entire program of incentive rates for small shippers," said an Express spokesman. Agency President William S. Johnson, in his testimony before the ICC, agreed that the

suspension would "risk permanent disadvantage to the many thousands of shippers who desire to see these rates established."

Under the proposed rates, a 100 lb. shipment from Boston to Chicago, for example, would cost the shipper \$8.24/cwt. If it were part of a 300 lb. to 1,500 lb. aggregate to all points. The new rate compares with the current agency rate of \$10.06 for the same quantity.

While Railway Express currently has some incentive rates in effect, they are limited to prepaid shipments between certain selected points. The new incentive rates would apply to all shipments between any of the

agency's 11,000 offices across the country.

"The surprising thing about the suspension," said an agency executive, "is that in our 1955 rate case before the ICC, the commission told us that 'the time has come for a more realistic and selective treatment of rates and charges designed to increase volume of traffic handled.'"

The new rates were specifically designed to follow along the recommendations of the ICC. Railway Express has been in dire need of increased volume to save itself from total bankruptcy. According to Johnson, Railway Express needs close to \$12 million dollars in additional revenue.

Custom Machine Tool Builder Opens A Special Division for Auctioning

Hamden, Conn.—One of the largest custom tool builders in the East is claiming a "first" this week with its new machine tool Auction Mart Div. According to president Norman I. Botwinik of Botwinik Bros., Inc., "Auction Mart will go into action March 29, at which time surplus machine tools ranging from lathes to small tools and surplus raw materials will go on sale. Their original cost totaled more than a half million dollars."

Botwinik Bros., a sometime auctioneer, hit on the idea for a permanent auction place when orders from manufacturers to rebuild their surplus tools "and try to sell them" began to pile up.

"Many of the larger manufacturers have regular replacement programs under which a machine is retired from use after a certain number of years," said Botwinik, "others have tools left over from cancelled contracts or contracts which have ended."

"Often," he explained, "they cannot find a ready buyer for the used equipment and don't have a sufficient amount to warrant holding their own auction."

Under the new scheme, overstocked manufacturers can forward their used machinery to Botwinik on a consignment basis. Once at Hamden, the machinery will be auctioned off at regular auctions which the company president hopes will be held every six weeks or every other month.

"The unusual thing about this auction," Botwinik declared, "is that all the machines will be sold in one central plant here in Hamden. For the first auction, we expect to have about 300 pieces for

sale. While we don't guarantee all the equipment, our people have inspected the machinery in operation in their original plant before accepting for our auction.

"To the best of our knowledge," he went on, "there is no outward damage to any of the machines, each of which should have many good years ahead of it."

Botwinik said the bulk of the machines fall into the less-than-15-years-old age group, and will range from such large equipment as engine and turret lathes, millers, shapers, and grinders, to small power tools as drills and cutters. The auction will be held in Botwinik Bros.'s 10,000 sq. ft. warehouse here.

Water Carriers Seek Aid In Their Squabble With Rails Over Rate Making

Washington—Domestic water carriers are seeking antitrust aid in their fight against what they call selective rate-making practices of the railroads.

The heart of the water carriers program is legislation to extend to transportation the Robinson-Patman Amendment strictures against discrimination in pricing goods.

Joined in the drive for new legislation are: American Waterways Operators, Great Lakes Ship Owners Assn., Inland Waterways Common Carriers Assn., Pacific American Steamship Assn., Pan Atlantic Steamship Corp., and Seatrains Lines, Inc.

Their 27-page study, "a report urging the limitation of geographic discrimination in the competitive pricing of transportation," has been sent to members of Congress, and a public relations campaign is planned.

The rails are charged with fixing some rates so low that they don't cover the cost of service. The ship and barge owners say this is done on a selective geographic basis mainly to "exterminate" the "low cost" water carriers.

While the immediate effect for some shippers may be cheaper transportation, the water carriers say, once their own inherently cheaper service is destroyed, the railroads will be free to hike rates above the levels now charged for water transportation.

GSA Will Continue Sales Of Rubber in Stockpiles

Washington—The General Services Administration said last week it will continue to sell stockpiled rubber over and above the 50,000-ton goal set for this fiscal year.

More than 73,000 long tons have been inspected and found "eligible" for disposal. Officials estimate that from 6,000 to 10,000 tons a month will be sold in the market between now and June 30.

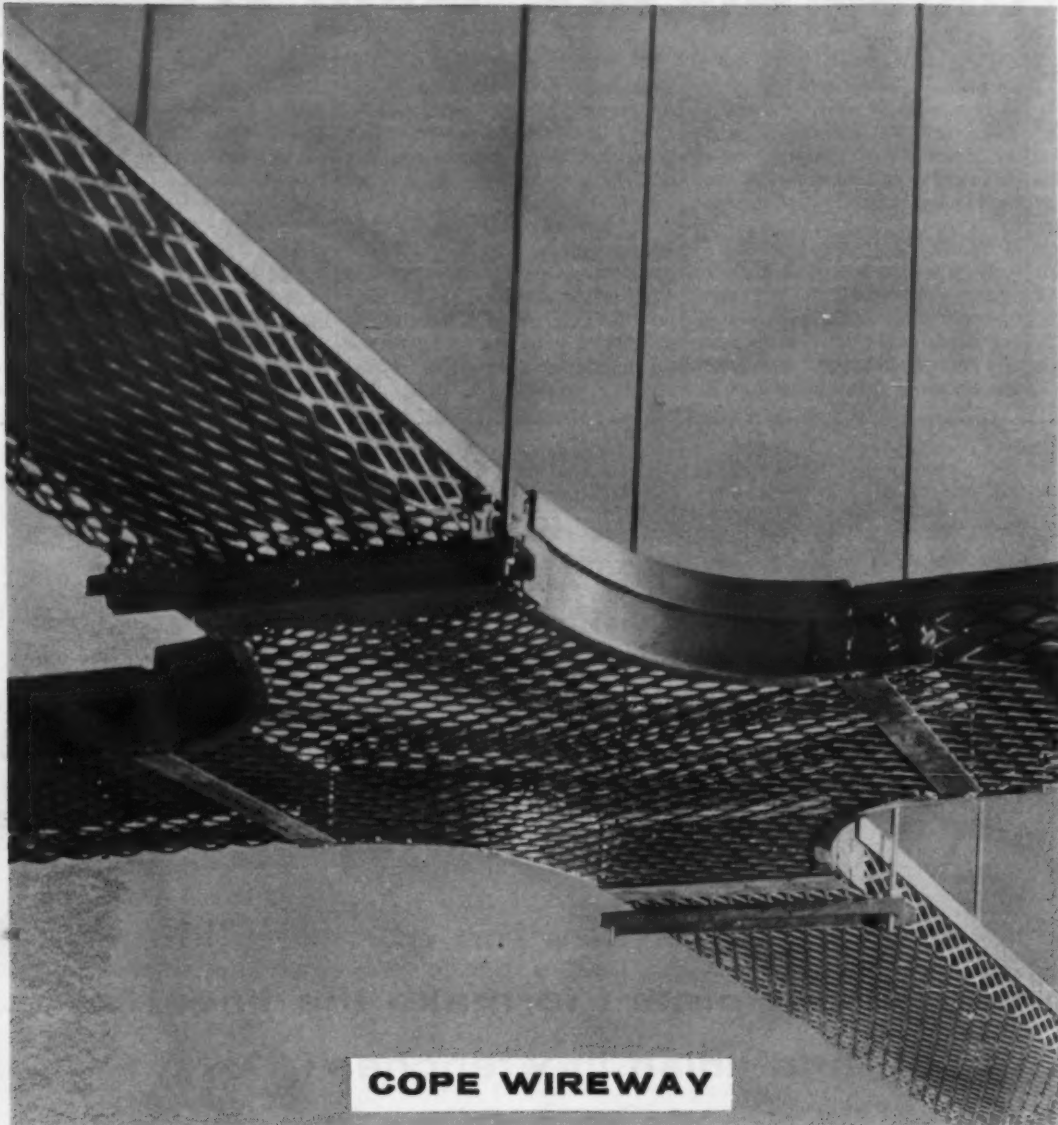
GSA said, "The actual average rate of sales may vary considerably in order to avoid undue disruption of markets." Officials added, however, that the sale of some 54,000 tons to date has had little impact on world rubber market prices.

Weekly Production Records

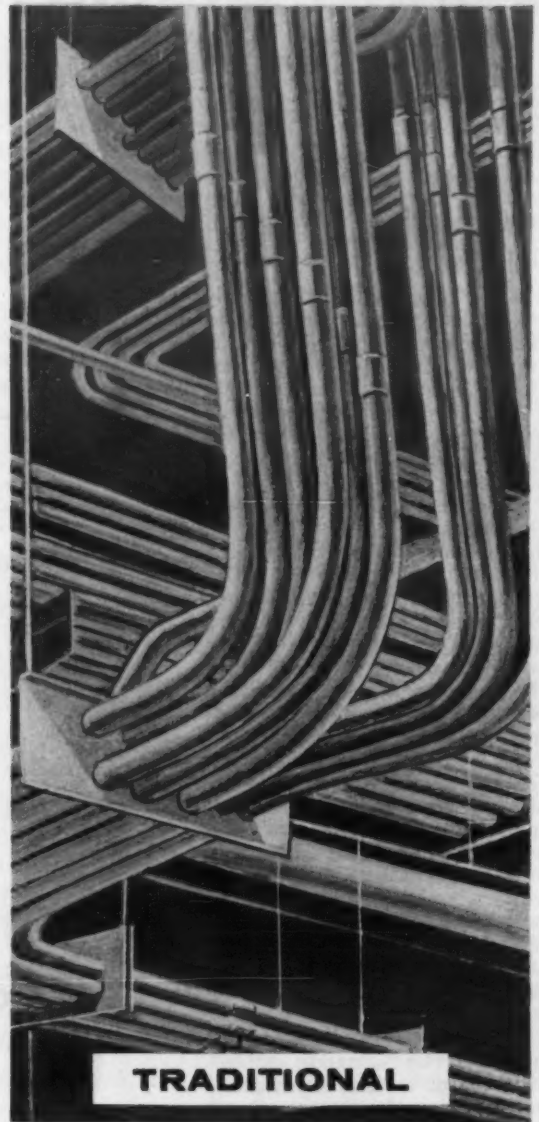
	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,647	2,645*	2,604
Autos, units	140,650	153,501*	133,540
Trucks, units	29,361	31,697*	23,492
Crude runs, thous bbl, daily aver	7,922	8,108	8,207
Distillate fuel oil, thous bbl	11,992	13,188	15,103
Residual fuel oil, thous bbl	6,591	6,980	7,500
Gasoline, thous bbl	28,436	28,633	27,461
Petroleum refineries operating rate, %	81.2	83.1	85.1
Container board, tons	169,637	151,036	163,261
Boxboard, tons	101,739	99,672	100,706
Paper operating rate, %	95.6	98.0*	93.0
Lumber, thous of board ft	253,634	249,738	233,224
Bituminous coal, daily aver thous tons	1,386	1,233*	1,373
Electric power, million kilowatt hours	14,262	14,092	12,945
Eng const awards, mil \$ Eng News-Rec	284.5	505.6	372.1

* Revised

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Congressional Watchdog Agency, Long Working

General Accounting Office and Its Chief, Joseph Campbell, Push a Series of New Investigations

(Continued from page 1)
own plants on which to base cost and production estimates of new developments.

GAO Zooms Into Front Ranks

The special examiners involved are auditors for the General Accounting Office, the so-called "watchdog of Congress" over the spending of federal money. But the auditors are much more than mere figure checkers, just as the GAO is much more than a mere accounting office.

Reviewing government contractors is only one part of the vast operations of the free-wheeling GAO, a powerful but little known agency in Washington. Expanding and applying its powers with little apparent direction since the end of World War II, GAO has boomed from a second-grade organization into the front ranks of government.

As part of this expansion, GAO is involved in the field of procurement and government contracting. Its reviews of alleged mismanagement and fraud in military buying have forced major changes in procurement procedures of contractors and subcontractors.

GAO audit findings are the basis for numerous Congressional investigations into procurement. The agency is increasingly the arbiter of U. S. import policy with regards to "Buy American" Act provision. It settles many of the contract disputes between government and industry. It can and does hold up contract awards or payments on legal grounds as well as determine in some cases who is legally entitled to an award.

• GAO will soon issue a binding decision on whether a foreign or a U. S. producer of heavy electrical equipment is to get an Interior Dept. award for installation of \$6 million of hydroturbines at the Glen Canyon Dam in Colorado.

English Electric contends the American firm, Baldwin-Lima-Hamilton, is not eligible to take advantage of the "Buy American" differential of 6% between a foreign and domestic bid in order to win a contract. English Electric argues that Baldwin-Lima intends to buy more than 50% of its equipment and materials abroad, thereby losing its designation as a domestic firm. Baldwin-Lima says its foreign procurement is over 40%, but not more than 50%.

• GAO findings of Navy mismanagement in the procurement of \$600 million in jet planes has produced a current investigation by the House Armed Services Committee into Navy procurement practices.

• Whether the prices the government pays for processed uranium are too high is the subject of a study now being undertaken by GAO.

• A sweeping review of the Air Force missile program and the contracting and subcontracting procedures used is now near-

ing completion by the GAO, and should provide fireworks in this year's election campaign.

Many of these activities are far removed from the primary function GAO was endowed with when created by Congress in 1921 to conduct independent audits of the accounts of Administration agencies to verify their accuracy and honesty.

GAO now considers as one of its principal functions the review of management performance, decision making and the "efficient and reasonable" carrying out of practically any and all government programs.

GAO Makes Policy Decisions

With such a broad charter, the agency on frequent occasions has edged into the policy-making field itself. This has, naturally enough, produced resentment among some Administration offi-

cials who contend that GAO is overstepping its bounds. Its more outspoken critics have dubbed GAO as a "super house detective," and the "principal gadfly of the executive branch, in voicing their disdain.

It has only been in the last several years that GAO really has come to public attention with its investigations into military procurement. GAO's revelations of alleged widespread waste and mismanagement in defense buying has commanded newspaper

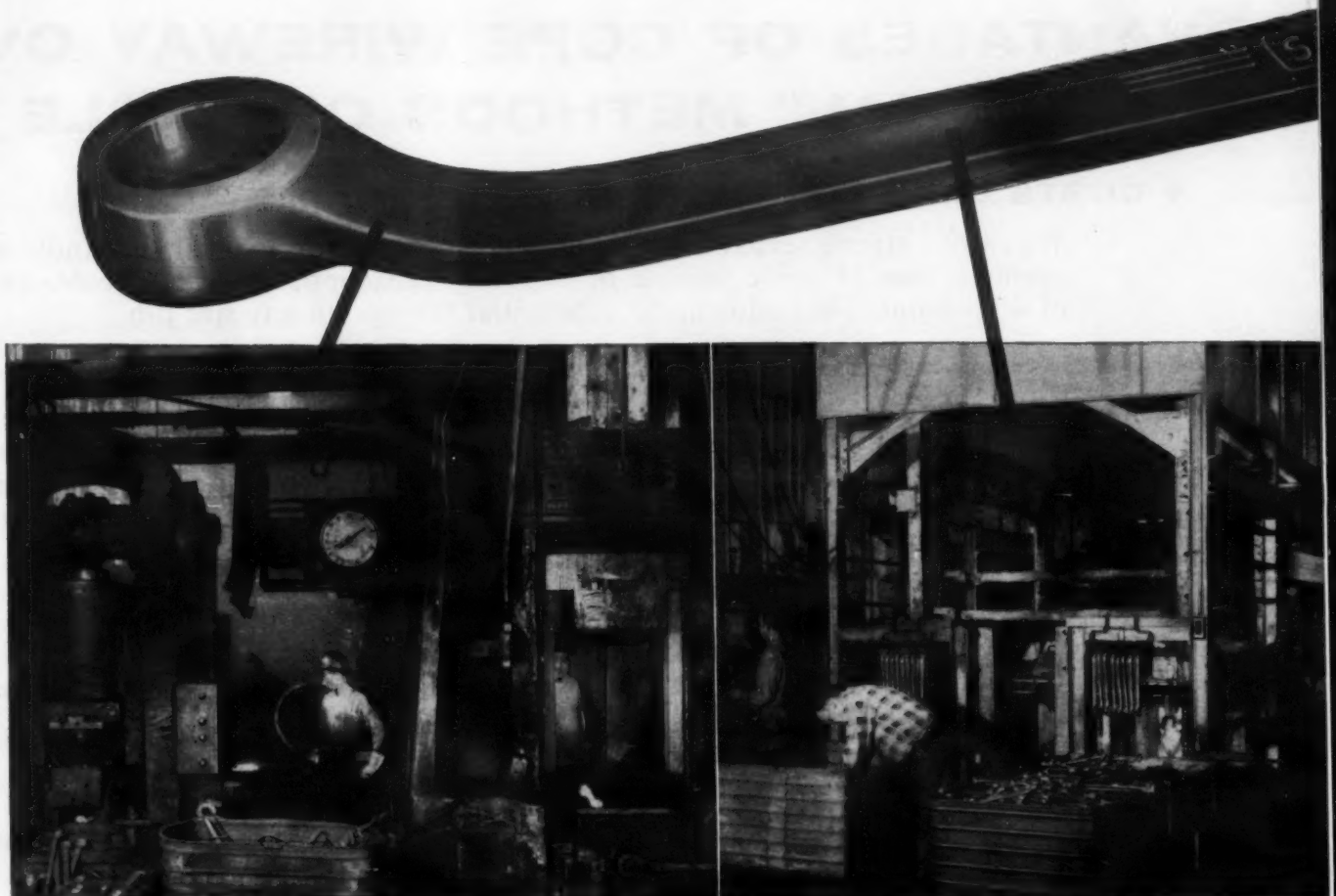
headlines and brought the agency more into the open.

The decision to move into the procurement field was made by the present Comptroller General, 59-year-old Joseph Campbell—Republican, a certified public accountant, former treasurer of Columbia University, briefly a member of the Atomic Energy Commission, and now enthusiastic in his new career as Congressional "watchdog."

Leaning back in his big padded and carpeted office over-

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In Obscurity, Stirs Up a Procurement Storm

looking the Capitol Building, twirling his black horn rimmed glasses constantly, Campbell discussed with PURCHASING WEEK his job as Comptroller General as he sees it.

"I suspect we'll have an increasing demand for our help from Congress from now on," he says. "As life becomes more complicated, the agencies also will have new problems."

Campbell places great stress on the audit of management, as distinct from merely auditing of

records in carrying out his job. He expects the GAO to exercise a "growing surveillance of financial management."

Campbell also is laying greater stress on procurement-related functions such as inventory control, supply management, warehousing, and disposal programs for government surplus.

Campbell says he has given consideration to two general rules in guiding him in carrying out his job.

"Generally speaking, I have

been guided first by the amounts of money involved." Since the defense budget now comprises about half the federal budget, Campbell has reorganized his staff and now devotes about half his team of auditors to Pentagon supervision.

The second consideration is to investigate continuing programs which, though accounting for small expenditures, can be used to set examples for other government agencies.

Campbell points to audits he

has made of such things as coal handling and auto maintenance as providing guides to all agencies with similar activities.

"We're the only federal agency that can do this on a government-wide basis," he says. "The money involved each year may not be great. But if a mistake continues in such an area for years without being caught it can multiply."

The accounting office has a staff of about 5,000 to check on a government that employs over 2 million people. So Campbell

has to use great selectivity in which areas to conduct its special examinations. The final decision usually is made by a small top level policy planning staff of 8 to 10 seasoned GAO officials.

Because of its peculiar setup and relationship to the Congress and the executive branch, the Government Accounting Office is pretty much what its head says it will be.

The Comptroller General is appointed by the President for a term of 15 years, but the President cannot remove him. The lines of authority to Congress also are not very strict. And the Comptroller reports only to the heads of the Senate and House of Representatives.

The agency began to bud under Lindsay Warren, and to bloom under Campbell. From 1921 to 1948, GAO interpreted accounting functions rather strictly to be concerned mainly with the accuracy of government account records, or merely, post auditing.

GAO Alters Approach

But in 1948, Warren fundamentally altered the GAO approach through a reinterpretation of a clause in the 1921 statute creating the agency. The clause stated that the Comptroller General shall "make recommendations looking to greater economy or efficiency in public expenditures."

This gave Warren the wedge to get into management review and the operations of government programs. Warren called these "comprehensive audits" as distinct from those for strictly record keeping.

Warren put T. Coleman Andrews, later Commissioner of Internal Revenue, in charge of comprehensive audits. Between Warren and Andrews, the GAO adopted this approach for more and more audits of government agencies. After Campbell was appointed in 1954, he accelerated the trend and finally in 1956 reorganized the whole agency.

Hit Paydirt

The GAO hit paydirt in 1948 the first time it ever conducted a comprehensive audit outside a government corporation. This was an investigation into the Maritime Commission which turned up evidence of softness on the part of the commissioners toward the industries they were supposed to regulate. The GAO findings resulted in the abolishment of the old commission and its reorganization into an administration with a single head.

The comprehensive approach was proved for good when GAO the next year dug into the RFC and exposed practices which led to a further Congressional investigation and the eventual abolishment of the agency.

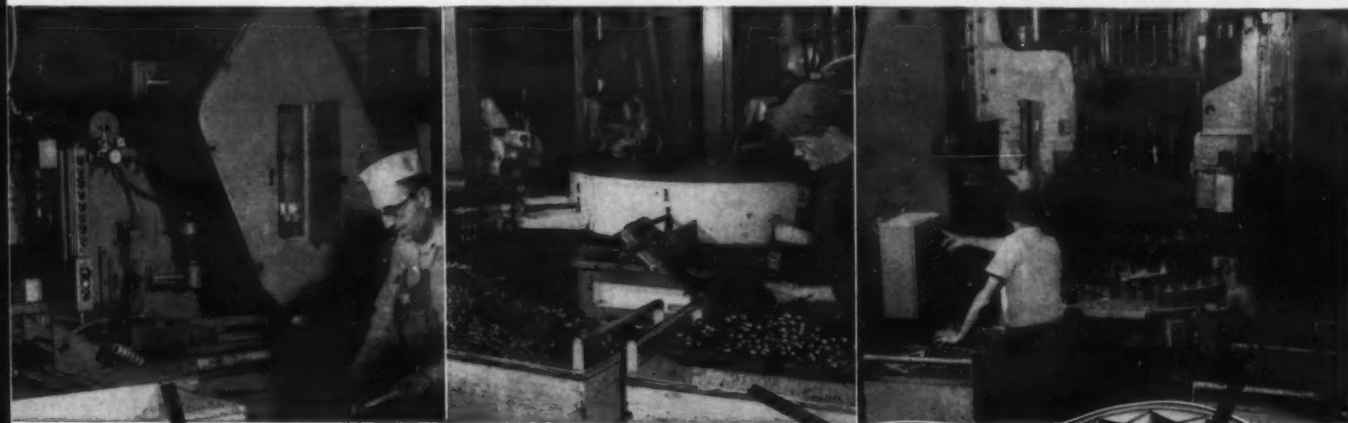
GAO has since been called on increasingly to supply Congressional committees with investigators for their own inquiries. For the McClellan committee investigation into labor racketeering alone, GAO supplied some 80 investigators over a two-year period. Last year, GAO had 162 of its accountants and investigators assigned to various Con-

(Continued on page 8)

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Congress' Watchdog Stirs Up Procurement Storm

(Continued from page 7)
gressional committees for aid in their operations.

Campbell has brought to GAO an accountant's approach to the job. Whereas Warren was a former congressman more interested in a broadbrush approach, Campbell has been more interested in details and specifics of government operations. Campbell also put more emphasis on building up his accounting staff. He unblushingly calls his men the "best-trained staff in government."

Campbell's stress on accounting has led Administration critics to contend that GAO auditors are "fact-chasers" and "lint pickers" who go too rigidly by the book. The charge is also made that GAO accountants interpret statutes too literally and don't give enough account to the necessity of a certain flexibility needed in management decisions.

"If you took all the rules and regulations governing federal procurement literally you could end up by not having authority to buy anything," says one government purchasing agent. "The Comptroller General has contributed to this situation by his strict interpretations."

Weak Areas Exposed

Yet GAO investigations have undoubtedly discovered weak areas and mismanagement in some government and defense contracting procedures. Pentagon officials readily admit this and have moved to tighten up considerably on contracting, and especially subcontracting in the last year.

The Pentagon now requires approval of contractors purchasing system for all major awards. On subcontracting, the Defense Department now is requiring extensive competition and certification of cost and price data. The department also is requiring greater use of make-or-buy contracts where components are either manufactured by primes or farmed out, whichever is cheaper.

But perhaps the greatest source of friction between the executive branch and GAO is in cases where the auditors slip over into the field of second guessing management judgment and getting into areas of policy and decision making.

"This has irritated more Cabinet officers than anything else GAO does," says one widely informed Washington source. "How do you justify a watchdog over government spending into a watchdog over judgement?"

Campbell's people say that they don't get into policy as such. They contend that what they do gets them into an "evaluation of the efficiency of policy."

"We are more interested in what is behind the figures and formal accounting records," says one agency official. "These we use as a point of departure in our examinations."

Yet the line between policy and its evaluation is a slim one and hard to define. GAO has come close to making policy decisions when for instance it gets into an evaluation of adequate military stockpiles or of the efficiency of certain foreign aid programs.

It has only the power to recommend management changes; it

does not have the authority to enforce many of its decisions. In some cases the agencies ignore Campbell's recommendations.

"It is one of those checks and balance affairs," says a Pentagon procurement official. "If we feel they're in an area they don't belong, we turn down their recommendations."

Can Only Report to Congress

In such cases, GAO then can only report to Congress. The lawmakers themselves can or cannot carry the issue any further. Yet most agencies give due con-

sideration before turning down any GAO recommendations rather than risk Congressional displeasure.

In some cases, government officials have duly created new sets of rules to meet GAO considerations and then proceeded to carry out business in much the same old manner.

But these incidents are only temporary setbacks in GAO's march to ever widening authority. As government grows bigger and more complex, GAO will expand its activities along with it. Secondly, new technological develop-

ments in such fields as missiles, nuclear development, electronics, and space constantly open up new areas for GAO investigations where the government gets involved.

GAO Wears Second Hat

One other very important aspect of GAO operations is its unique legal capacity. This is the other hat that the Comptroller General wears, and in its way just as crucial as his auditing powers.

In its legal capacity, GAO acts as the central clearing house for government claims and contract disputes. During the last fiscal year alone, GAO settled 130,000

claims either by or against the government.

As private concerns have become increasingly aware of GAO's activities in the contract field, they have increasingly turned to it to appeal contract disputes. At the same time, agency officials have taken to turning to Campbell for legal interpretations of their programs and for rulings on disputed contracts.

GAO decides on such issues as whether contract terms have been legally met, bids presented met specified conditions, and whether a contractor is legally carrying out his obligations under the contract.

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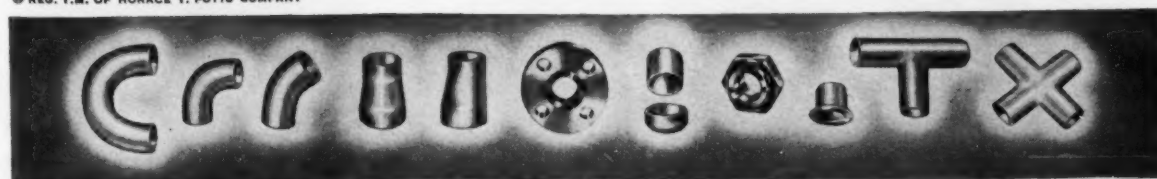
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What Annoys You Most About Engineers? Plenty

Industrial Engineer Makes a Survey of Industry, Urges Better Teamwork Between Engineering, Buying

San Francisco—"The purchasing agent shouldn't get his nose out of joint just because the engineer tells him what is needed in the plant," says Alfred B. Sabin, independent San Francisco industrial mechanical engineer. This is Sabin's way of advocating better teamwork between purchasing and staff engineering functions in American industry.

Sabin recently completed a survey of California purchasing men in preparation for a lecture before the advanced purchasing course sponsored by the Northern California Purchasing Agents Association. The results of the survey provided plenty of ammunition for his talk, as well as giving the reasons for improving

same question about purchasing agents, they would probably exhibit the same sort of foggy notions.

Yet management, by and large, does not recognize this situation as a threat to profits. Surprisingly little has been done to bring the engineer and purchasing agent together and to coordinate their activities.

Sabin has seen some almost

classic examples of what can happen when purchasing and engineering get badly out of joint. Perhaps the worst was discovered in a steam equipment plant, where Sabin found that all specifications were at least fifteen years old. On top of that much of the equipment being used—even newly-purchased equipment—was badly matched to the job that was to be done.

The answer was almost frightening: The specifications used by this plant were drawn up during World War II. During the war

it was often necessary to make expensive substitutions in material as an alternative to going out of business entirely. This plant was still making the substitutions, fifteen years later.

How can it happen? "Regular plant engineers get involved in routine," says Sabin. "They are too busy to do the time-consuming analysis necessary to ensure the most logical operation. It's not an easy job to review specifications." And the purchasing agent is technically unsuited to such a job.

In companies where there is dissension between the functions, the problem will not only grow, but will feed upon itself and be-

come more serious every year. In companies where this problem exists, it is the job of management to define job functions and set up communication.

On this count, the independent consultant is winning a greater role, thinks Sabin. Management, he points out, often has its own prejudices; but the consultant, as a neutral party, can sit down with engineer and purchasing agent to work out a logical division of responsibility.

One thing the purchasing agent can do on his own hook is to demand continuous review of engineering standards by plant engineers, and to require regular filing of reports.



MAN WITH A MESSAGE: Alfred Sabin says there's a major problem brewing between purchasing and engineers in industry.

communications between engineering and the P.A.

One of Sabin's questions was "What annoys you most about engineers?" Twenty-nine of the 37 replies expressed single-minded fault-finding by P.A.'s. This, Sabin believes, indicates a very real problem in industry. As the P.A.'s put it:

- 41% complained in one way or another that staff engineers acted too independently. They ignore the advice of the purchasing department, and sometimes go so far as to make firm commitments for purchases without even telling the P.A. about it.

- 31% said that engineers tended to show insufficient discrimination in their preference of vendors or components. They don't consider other competing products on the market.

- Other equally revealing miscellaneous remarks:

"Too many rush, rush, rush orders from engineers:

"Engineers are unable to express their requirements in writing.

"They are too set in their ideas; they don't get opinions from others.

"They specify items not readily available and still under development.

"They know more than I do."

Sabin said his survey brought out the "complete confusion in the mind of the purchasing agent as to the function of the engineer." Sabin admits, however, that if engineers were asked the

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P/W MANAGEMENT MEMOS

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Management Training Films

P.A.'s are sure to find some helpful industrial training aids in a group of 80 films assembled by the Industrial Management Society. The films have all won awards in the annual Methods Improvement Competition. Some titles available: "Travels of a Stock Requisition," "The Paperwork Problem," "Five Steps to Office Work Simplification," and "Creativity in Action," a film on brainstorming. For a complete list write the society at 330 S. Wells St., Chicago 6, Ill. Films rent for \$7 to \$9 each for five days.

Management Games: New Training Tool

One of these days you'll sit down with a group of fellow managers to play a business game. Though it's a game with success measured in paper profits, the National Industrial Conference Board points out that the stakes are really high: the improvement of your ability to work as a member of a management team.

This new kind of game is a dynamic training exercise based on a mathematical model company. Your management group starts with certain assets—plants, markets, sales force, financial resources. You may have opponents—probably other members of your firm's management development program. The goal of the game depends on the rules. It may be to increase profits 20%, beat a competitor to a new market, or get a plant rolling in less than a specified time. Your group makes decisions based on the rules and your "assets", and these decisions are evaluated by an umpire who totals up the dollars involved according to the rules. Sometimes the model is so complex a computer is used to figure out the effect of your decisions. Or the umpire may use simple charts that the players don't have. The winner? The team that's learned to develop the best management strategy to make a profit.

NICB notes that management or business games don't provide a substitute for years of experience, but they do provide valuable training in teamwork and strategy formulation. Some firms like them because they offer challenge to new groups of managers. IBM, for instance, has a psychologist observe the games; later he criticizes the players and shows how they could have made better decisions as a team.

No matter how you play it, the business game is going to be important in your development as a manager. Sharpen up your poker strategies, the principle is much the same.

Those Taxes

Businessmen with a vague feeling of discomfort about the heavy tax burden Uncle Sam imposes on them found an old ally back at work this week. His name? C. Northcote Parkinson, who knows how to kill 'em with humor.

Says Parkinson (in his newest book, "The Law and the Profits," Houghton Mifflin, Boston): Government expenditures rise to meet tax income.

Parkinson warns that no matter how high taxes go, government always finds new ways to spend money. The danger, as Parkinson sees it, is this:

"Freedom cannot exist where the rulers own everything . . . against a state which owns everything, the individual has neither the means of defense or anything to defend."

A more sober warning along the same line comes from Dr. Robert W. French of the Tax Foundation, who says:

"Failure to grapple squarely with the problem of mounting taxes, expenditures, and debt during the past three decades has produced a growing crisis in fiscal responsibility at all levels of government. Unless the nation faces up to this crisis, it must soon accept a fundamentally different form of government from the one envisioned by the founders of the Republic."

Both men speak to the same point: A growing vigor on the part of industrial management in making its political views known is one good way of balancing the easy-tax, easy-spend philosophy of so-called "liberal" government.

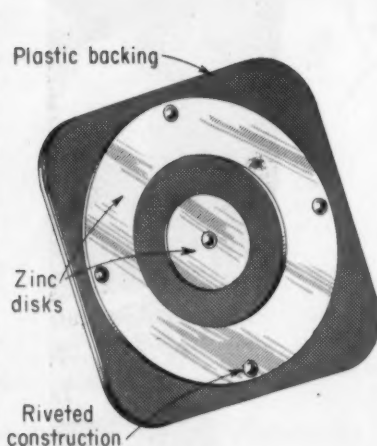
Decision Making, the Easy Way

There may be something in the simple, old-fashioned way of running a business. Back when the American dollar bill was somewhat bigger than it is now, IBM was debating the ideal size for its famous punch card. The partisans of the 4 x 6 in. and 3 x 5 in. card were locked in heated debate. It soon became clear that only the research director could break the deadlock. How did he do it? He pulled out an over-size dollar bill from his wallet, put it on the table, and said: "Here, gentlemen, is the size of the IBM punch card." And that was that.

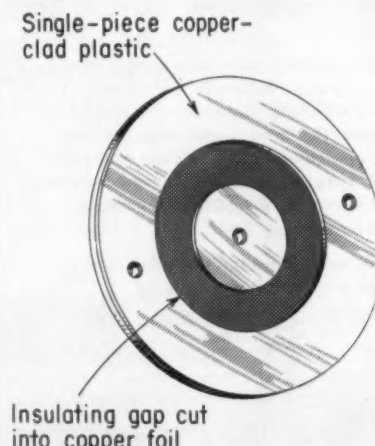
Short Pointer

New words in the corporate lexicon: *Expert* (a man who lives in another town); *New* (different paint mixture); *Exclusive* (just copied from Europe); *Finest* (costs a bit more), and *Trouble Free* (only the repairs cost money).

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Chicago: Stewart W. Ramsey
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Los Angeles: Kemp Anderson
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What would you tell a new purchasing man about ethics?



J. R. Sayers, assistant director of purchasing and traffic, Monsanto Chemical Co., St. Louis:

"I think ethics fit into two categories. First, I would say a purchasing man should build up a reputation for being fair and honest. At the same time, he can let it be known that he is hard and firm in his dealings, but that he will not take unfair advantage of anyone. The second ethical area is concerned with accepting gifts and personal favors. I think I'd tell a new man not to be afraid of being too 'pure.' He should not let

the fact that some people on both sides of the desk might scoff at his standards make any difference. His standards should finally develop based on his conscience, sense of duty, and grasp of his firm's policy."



J. T. Gaffney, purchasing agent, Puro-lator Products, Inc. (filters), Rahway, N. J.:

"I would remind him of the principles advocated by the NAPA: 1. Loyalty to his company; 2. Justice to those with whom he deals; and 3. Faith in his profession. I would advise him to become familiar with the NAPA standards of purchasing practice that have been derived from these three principles. By becoming an association member, he would become more aware of the responsibilities."



W. K. Phelps, purchasing agent, Yale & Towne Mfg. Co., St. Catharines, Ontario:

"Just be honest with your employer and your vendor is my advice. Never reveal to a vendor another vendor's quotation lest you lose the confidence of both suppliers. A new man in the purchasing field should learn that he is only one segment of a team comprised of engineering, accounting, sales, and manufacturing and that individually he cannot be a success. Without their co-operation he will make expensive errors

that will reflect on his ability. He should also consider the interests of his company and buy without prejudice, seeking the maximum ultimate value for each dollar."



J. A. Thomas, director of purchasing, Minute Maid Corp., Orlando, Fla.:

"This is a question upon which a great deal could be said and even more has been written. Ethics in purchasing is important, considering the great trust placed in the purchasing person. Probably the best attitude would be the most strict one involving the least possible compromise on the buyer's part."



J. C. Alber, purchasing agent, Wm. L. Blanchard Co. (builders), Newark, N. J.:

"A purchasing agent's regular suppliers are his mainstay. However, too close a friendship with a supplier can be costly if abused by either principal. Don't let high pressure or substitute products influence your thinking without proper investigation. The buyer's prime purpose is to secure the best deal possible after evaluating, price, delivery, and service, all of which have bearing on the end result. Always make yourself available to a salesman, if only for

a few minutes. He may have a new product or ideas that will be helpful in the future."

Suggest a Question to:

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March 14, 1960

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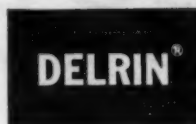
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Purchasing Week

This Changing Purchasing Profession . . .

Alban J. Sutherland, Jr., was promoted to assistant director of purchases, **Reynolds Metals Co.**, Richmond, Va. **Leon W. Norfleet**, assistant purchasing agent, replaces him as assistant general purchasing agent.

Harry W. Bradley has been made manager of the purchasing department, **International Harvester Co.**, Chicago. Formerly assistant manager, he succeeds **Roy A. Fischer** who has retired.



A. J. SUTHERLAND, H. W. BRADLEY

Kingsley E. Clawson has been appointed Salt Lake City P.A.

Nicholas Darchi, formerly purchasing agent for **Volco Brass & Copper Co.**, Kenilworth, N. J., was made home office sales coordinator.

Randy Shortt has been transferred to the Denver office of **Franklin Supply Co.** as manager of purchases. **Kenneth Blessing** has been shifted to the Houston branch as assistant manager of purchases.

R. L. Weed has been named materials president in charge of the purchases distandards officer by **Chesapeake & Ohio Railway**, the purchasing and stores department at Huntington, W. Va.

John K. Parks, former purchasing executive, was made a vice president of **Metal & Thermit Corp.**, Rahway, N. J. Parks,

who will continue as general manager of the Detinning Div., had previously served as director of purchases and traffic.

Joseph F. Byrne has been transferred to the **National Tube Div., United States Steel Corp.**, Pittsburgh, as assistant director of purchases. He had been project purchasing agent, **Columbia-Geneva Div.**, San Francisco.

Robert R. Martin was moved up to manager of the purchasing department at **Virginia-Carolina Chemical Corp.**, Richmond, Va. He is responsible for the department's administrative functions and retains his duties in purchasing supplies and equipment.



J. F. BYRNE R. R. MARTIN

Earl J. Tessmer has been advanced to assistant purchasing agent, **Young Radiator Co.**, Racine, Wis.

J. F. McMillan was appointed buyer of automotive accessories for **Firestone Tire & Rubber Co.**, Akron. **H. E. Johnson**, formerly automotive accessories buyer, moved to home supplies as buyer of hardware, succeeding **H. L. Chapman**, who became electric housewares buyer.

A realignment of **Fuller Brush Co.**'s purchasing department resulted in eight changes. **N. T. Drummond** was promoted to manager of purchasing by the Hartford, Conn., firm. **Paul S. Sturges** was named Drummond's assistant and purchasing agent of raw materials for production. **Robinson T. Gilbert** and **Frank P. Bambara** were made purchasing agents for the **Mohawk Brush Div.** and the **Industrial & Machine Divisions** respectively.



N. T. DRUMMOND

Three buyers were appointed: **J. E. Marsh**, plant and office supplies and equipment; **Francis J. Butler**, cosmetic products; and **Douglas T. Blood**, **Mohawk Brush Div.** **Rudolph L. Libby** was named co-ordinator on departmental procedure.

Thornton P. Vail is the new director of purchases for **Allied Chemical Corp.**'s **Plastics & Coal Chemical Div.**, New York. He had been assistant director of the firm's legal department.

William C. Spencer, Jr., secretary of **Horace T. Potts Co.**, Philadelphia, has been appointed director of purchases.



T. P. VAIL W. C. SPENCER, JR.

Fred L. Brewer was named general purchasing agent, productive materials, **A. O. Smith Corp.**, Milwaukee. **Wayne G. Thorstensen**, former financial assistant to the marketing director at the Milwaukee plant, succeeds Brewer as assistant to the director of procurement.

Leo B. Fisher has been advanced from purchasing agent to director of purchases by **Confidential Coffee Co.**, Chicago.



F. L. BREWER L. B. FISHER

W. W. Cone has joined **Geophysics Corp. of America**, Boston, as purchasing agent and security officer.

Obituaries

George McKenna, 58, purchasing agent for **Lionite Abrasives Ltd.**, Niagara Falls, Ontario, died Jan. 24.

John Edward Lynch, Jr., 40, assistant purchasing agent at **Burlington Industries**, Greensboro, N. C., died Jan. 26.

Harold J. Southwood, 63, purchasing agent, **Deer Park Pine Industries, Inc.**, Deer Park, Wash., died Jan. 28.

Girard E. Bircke, supervising purchasing agent at the **Water-vliet Arsenal**, Albany, died Jan. 30.

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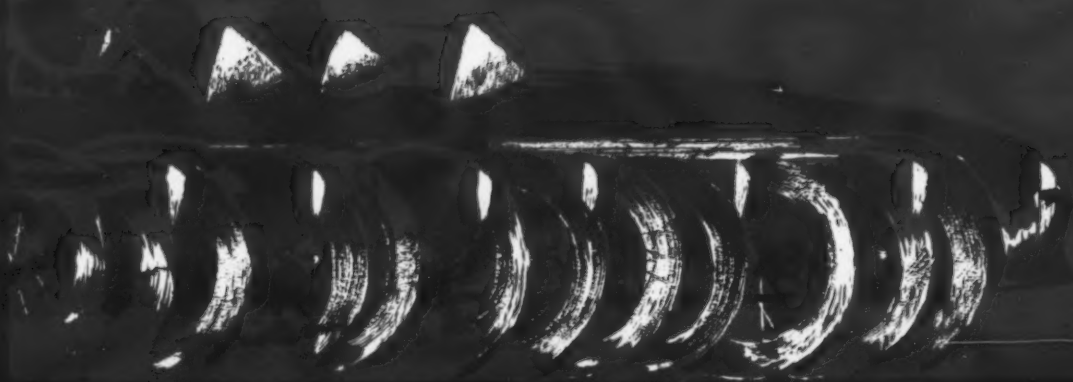


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Centralized Purchasing Saves for State P.A.'s

In New Jersey, Economies Total \$769,000; Oklahoma: \$10 Million

(Continued from page 1)

to get better quality for less money, too. Oklahoma's new central purchasing system is reported to have saved that state's agencies 10% over previous buying programs.

Mike Pedrick, a member of the State Board of Affairs told PURCHASING WEEK that he estimates state agencies will have saved \$10 million (of \$100,000,000 appropriated them) by July 1, when they complete the first year of central purchasing.

Oklahoma uses open end contracts, too. Their success story: 30% saved on drug buying, 17% on tires, and 6% on gasoline. Pedrick estimates that less than half of the buying by state agencies is done through central purchasing. More savings would be possible if state universities, for instance, bought through central offices under open end contracts.

Meanwhile, J. R. Wilson, Jr., director of Oklahoma's new central purchasing division, was forecasting eventual centralization of state agency purchasing by means of about 200 basic contracts. During the past six weeks, Wilson said, his division had put through 20 additional central contracts, bringing the total in force to 37.

Legislative Watchdogs Demand Economy

State legislators are behind the economy drive as they try to hold the line against rising expenses that will breed new taxes. State Treasurer John A. Kervick outlined the reasons behind the New Jersey economy campaign: "The Bureau of Purchase spends \$30 million a year. We have to be professional to the highest degree and put the operations of the Bureau on a competitive basis. We are working in a goldfish bowl. State purchasing people are in a very sensitive position."

Director Sullivan is backing up the economy drive by training state buyers in the latest purchasing techniques from industry. One of his devices is the state buyers' seminar. Government purchasers heard a talk by H. L. C. Leslie, vice president of Value Analysis, Inc., on how they could use value analysis to get the "lowest price for the reliable performance of a function or a service." Leslie pointed out that one of the basic things value analysis develops is a "healthy discontent with the price you are paying." The feeling of the meeting was that state buyers should develop this discontent themselves before the state legislature does.

The seminar program included a question-and-answer, problem-solving session and a conference between state purchasing people and representatives of quasi-state agencies like the Turnpike and the N. Y. Port Authority. The New Jersey Bureau of Purchase hopes to make even bigger savings by pooling these agency purchases for quantity discounts.

The Big Payoff—Economy Not Waste

Economy-minded legislatures will be pleased to see some of the results of the bureau's work. Herman Cristal, deputy director, explained how the program made significant savings on common purchased items. The state was able to save \$60,000 on tires by establishing standards for 4-ply, first-line nylon tires, and then going directly to the manufacturers.

The Bureau set up a Standards and Specifi-

cations Office under the direction of Abraham E. Watov. Watov worked up tire standards with Fred G. Poinsett who is in charge of all motor vehicle buying. Payoff: New Jersey gets its new standard tire for \$9.85 compared to \$29.85 retail or about \$20.00 in usual discounts. The tires are bought under an open-end contract and are delivered when needed.

Cristal tells another standardization success story—this one about coffee. "We had to throw out our old supplier, the quality was so bad. We set up a new standard top grade 50% Brazilian, 50% Columbian coffee and now we get a blend that is better than any nationally advertised coffee, but we pay only 51¢ a lb. instead of about 74¢." Total savings: \$69,000. Cristal explained that the quality is controlled by U.S. Department of Agriculture inspectors from the "green bean right through the roasting."

The Bureau has made other savings, too: \$300,000 on central warehousing and buying of standardized stationery and office supplies; \$150,000 on clothes for state wards; \$20,000 on steel office furniture; \$100,000 on blueprints and \$70,000 on ice cream. These success stories were dramatized by displays set up at the meeting. (see photos)

How Open-End Contract Works

The open-end, or blanket-order, contract has made the savings possible. Standardization and pooling of all state agency requirements give the purchase bureau a standard item and volume quantity to put for competitive bids. Then when an agency needs supplies, it draws down on the blanket contract.

However, Sullivan noted that the first year of open-end contracting hasn't been easy. "You have to guard against obsolescence in the stock," he said. Another problem is getting departments to agree on standards. Some want to use pet brands or suppliers' products. Sullivan says that the procedure then is to hold field tests so the agency can see that it gets the same value for less money by using the standardized item. This procedure convinced the State Highway Dept. that the make of paving machinery it had been using was actually inferior to newer but less expensive equipment on schedule.

Management Problems and Solutions

Scheduling purchase deliveries puts a premium on interagency communications. The bureau is looking toward better requisitioning procedures to help, plus coordinators for the areas of purchasing like motor vehicles and office supplies and equipment. For instance, buyers negotiating open-end contracts for highway center-line paint have to consider the delivery dates required by the State Highway Dept. and the parkway and turnpike authorities. The buyers do a vendor rating and plant survey on suppliers to make sure they can supply the needed quantity and quality on time.

Another aspect of vendor relations that bothers the bureau is unique to competitive bid government contracts. It must warn vendors that go to considerable expense to give the bureau technical help and service. While it appreciates the aid, only a low price in the competitive bidding can get the vendor a contract.



1. Save on Fuel

Value Analysis, Inc. Vice President H. L. C. Leslie points to savings value analysis can make in fuel buying for New Jersey State Treasurer J. A. Ervick, New York Port Authority Purchasing Agent C. H. Reilly, and New Jersey Bureau of Purchase Director C. F. Sullivan.



2. Save on Food

Abraham E. Watov, Chief of Standards and Specifications, explains how standardization gives top quality coffee for \$.51 per lb. Listening are Miss Mildred Walsh, Asst. Buyer; J. R. Morgan, Supt. of Purchases; and W. B. Grady, Bus. Manager of the New Lisbon State Colony.



3. Save on Equipment

Standards man Watov shows Port Authority P. A.'s Riley and Arnold Kopllick how joint buying with New Jersey can save on equipment.

Burroughs Corp. Centralizes to Avoid Conflict

Detroit — Burroughs Corp. president Ray R. Eppert has streamlined his company for "a highly competitive decade ahead."

The major overhaul program at Burroughs resulted from growing concern on two fronts—rapidly increasing pressure from foreign competitors and the realization that the company was trying to sell its products with a "two-headed" sales force. One group of salesmen knew all about key punch machines, the other was expert on computers.

The fact that key punch machines are designed to feed information effectively into computers was often overlooked in an atmosphere of competition for commissions. Eppert decided to centralize.

In a management memo dated Feb. 1, 1960, he announced an impending amalgamation of the former Burroughs Div. and the West-Coast-based Electro-Data Div. into a single unit, known as "Equipment and Systems Marketing Div." Effective Mar. 1 the new centralized sales force was headquartered in and directed from the Detroit home office.

The primary motive behind the change is of importance to P.A.'s. After a training period that will be completed within six months, Burroughs customers will no longer be subjected to conflicting sales visitations—one touting old-style, but often practical semi-automatic office machines, the other, the new miracles of electronics.

The new Burroughs salesman will literally be a well-rounded "doctor of automation."

However, the company still will keep a few semi-autonomous divisions intact. One is Todd Co., whose carbon paper and office forms lend themselves to separate selling. Others include

the Electronic and Tube Divs., whose specialized products still will be marketed separately from the company's main product—business systems.

Defense business, too, will be segregated. This category accounts for about 23% of Burroughs' revenue, and is sold by a special group that reports directly to Eppert. Actually, Burroughs is prime contractor on the ground phase of the Atlas missile guidance system and data processing for both ground and airborne phases of Sage.

Purchasing, under Russell Stark, also has been strengthened by the centralization move. Under the old system, Stark, as a staff man, would often offer divisional purchasing men tips on policy guidance. Sometimes, however, he could be overruled by local considerations.

Thanks to Eppert's reorganization scheme, however, suppliers now have one man to deal with for all major portions of Burroughs business. Standard specifications can be maintained for everything from tools to desks.



CENTRALIZATION of sales and marketing at Burroughs Corp. will eliminate "two-heads" discussing one topic at future product shows.



WELL-HANDLED SITUATION — The shipment of motor truck cabs by rail from Moline, Illinois to the West Coast for assembly posed an interesting material handling problem, recently, for International Harvester Company. For years, these cabs had been crated and shipped by box car. Recently, however, this method proved economically impractical because of the rising costs of crating and shipping. In order to solve the problem, International Harvester material handling engineers, in consultation with the railroad, devised these special device flat cars which enable a number of cabs to be bolted to a single frame — resulting in savings of several hundred dollars per carload. To protect the finished interiors of the cabs while in transit, each loaded flat car is equipped with two huge, fitted tarps made by M. Mauritzon & Company, Chicago, from Mount Vernon duck.

This is another example of how fabrics made by Mount Vernon Mills, Inc. and the industries they serve, are serving America. Mount Vernon engineers and its laboratory facilities are available to help you in the development of any new fabric or in the application of those already available.

Continental Can Co. Goes Ahead With Plastic Plans

New York—Continental Can Co. is setting up plastic bottle production facilities in Los Angeles, Baltimore, and Cincinnati, as a follow-up to creation of its Plastic Bottle and Tube Div. in January.

The West Coast plant is slated to be in production some time this month; the Baltimore and Cincinnati plants are scheduled to go on stream next month. All of the new lines will make custom-molded bottles in sizes up to and including 32 oz.

The company also has modernized and expanded facilities at its Chicago plant and now is in a position to service customers in the Eastern, Midwestern, and West Coast areas.

Purchasing Conference

New Brunswick, N. J.—An all-day conference for purchasing agents and men with supervisory or managerial responsibilities in inventory control will be held at Rutgers University March 17 in cooperation with the Purchasing Agents Assn. of North Jersey.

The theme of the conference, entitled "The Purchasing Agent and Inventory Control," will be how purchasing departments can work with inventory control for greater profit to their concerns.

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Industry News In Brief

Phosphoric Acid

St. Louis—Monsanto Chemical Co. intends to become the first U.S. commercial producer and bulk shipper of 105% phosphoric acid. The firm's Inorganic Chemicals Div. already started work on a new plant, at Addyston, Ohio, to manufacture the concentrated acid.

The product is 30% more concentrated than normal acid. Major markets are seen in surface metal treatment and as a dehydrating agent in the plastics and petroleum industries.

Plastic Containers

Los Angeles—Owens-Illinois Glass Co. expects to begin producing semi-rigid plastic containers next month in its first Pacific coast plant.

The new two-story plant will be the company's fifth for the manufacture of plastic containers, which have become increasingly popular for packaging liquid detergents, household products, and many other items.

Data Handling Network

New York—The National Cash Register Co. plans to set up a nationwide network of data processing centers that will make record-keeping automation available to virtually every type and size of business.

The plan will enable business enterprises, including retail stores, industrial firms and commercial and savings banks, to obtain a detailed analysis of their previous day's business in less than 24 hours.

New Electronics Plant

Loveland, Colo.—Construction is underway on a \$1 million electronics manufacturing plant for Hewlett-Packard Co. of Palo Alto, Calif. The firm produces some 300 varieties of electronic testing devices.

Production is expected to start around June 1 when the first unit of the new facilities is scheduled for completion. The entire plant is expected to be completed by January 1961.

Form Partnership

Niles, Mich.—A major U.S. producer of specialty wire and metal products has entered into partnerships with two West German producers.

National Standard Co. recently completed the arrangements with Arbed, a leading producer of steel, and Felton & Guillaume, a manufacturer of copper and steel wire, both located in West Germany.

Customer Service

North Hollywood, Calif.—Rimak, Inc., a West Coast precision sheet metal and electronic manufacturer, has created a Customer Service Dept. at its plant here.

"Customer Service," said company president Rinard W. Flint, "will be responsible for coordinating all activities of every project in the plant, from the start to completion and delivery."



LOCKHEED WORKER demonstrates how the charge-plate is used when checking out tools from the company's Standard Stores tool bin.

Charge-Plate Device Cuts Bookwork, Speeds Tool Checkouts at Lockheed

Atlanta—A charge-plate machine, much like the one used at the corner filling station, is cutting time and confusion in tool checkouts from Standard Stores at Lockheed Aircraft Corp.'s Georgia Div.

Each tool bin has a charge-plate lying among the tools. When a tool is taken from the bin, the plate is removed and stamped on the tool-request form. A typical plate reads:

GL 351N88- 24 Drill

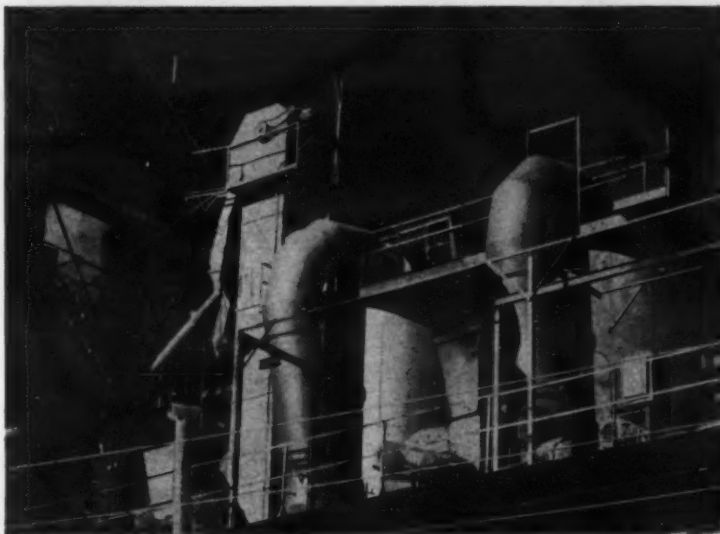
FAST SPIRAL LETTER "X"
16-2553-000 DL-8-F-1

The first two lines give the specification number and description of the drill. On the third line, the number at the left gives the material code number and identifies the ledger card for this drill. The code group at right gives the bin's location.

The stamping machine, mounted on roll-around carts in the storeroom, costs approximately \$149.50. Plates cost 3.3¢.

SILICONE NEWS from Dow Corning

Found: A Paint that Lasts



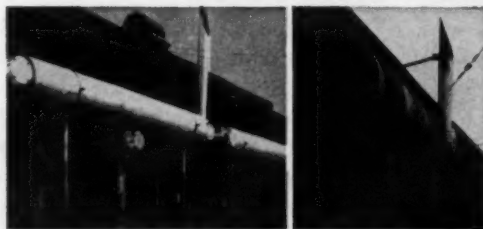
Cut Costs with New Long-Lived Silicone Finishes

You paint your plant to protect against rust and rot, but how can you protect the paint? Sun, rain, heat, sleet, smoke, and other elements of the industrial climate take a heavy toll. Shortly after the paint is completely dry, it starts to deteriorate. Soon, it must be re-applied. Thus, the cost of keeping away rust can run high: not due to the price of the coating material as much as to the repainting time involved.

Now, however, new paints based on silicone resins make it possible for you to make some really substantial cuts in paint maintenance costs. Proven to have superior durability, these silicone finishes last a good 25% to 100% longer. They keep their gloss and color and film integrity despite tough exposure to weather . . . despite high temperatures that burn or crack conventional finishes.

Naturally, this greater staying power means fewer repainting jobs. And that's especially important in hard-to-get-at areas of the plant, or on hot-running equipment that must be shut down for painting.

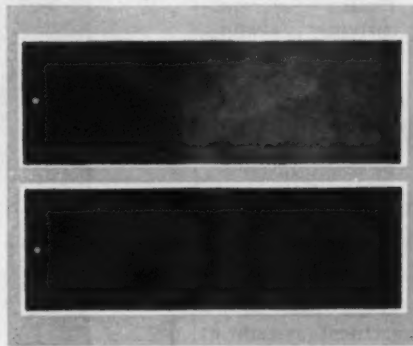
For instance, the Austin White Lime Company, of Austin, Texas, had difficulty keeping paint on the kilns and stacks shown above. Then they tried a paint based on Dow Corning Silicones, and report it "... by far the most satisfactory paint we have ever used." You can see the gleaming results.



Many other firms have come to the same conclusion. At left are two diesel mufflers at the Philadelphia Gas Works. Both were painted two years before these pictures were taken; one with an organic coating, the

other with a silicone finish. The burned, cracked and discolored paint is the organic; the "like-new" coating is the silicone.

What if there's no heat problem, just weathering? New silicone-based coatings outlast conventional paints even where high temperatures are no problem. Look at the test panels in the photo. These panels have been exposed for one year in an industrial location where corrosive atmospheres frequently prevail. The conventional organic paint has faded, lost its gloss and chalked badly, while the silicone finish (bottom) is still in fine shape.



Colors Unlimited . . . Silicone finishes run the complete spectrum. If you want a hot-spot finish that will resist 1,000 F, certain pigments such as aluminum must be used.

But, when temperatures are not high enough to damage the pigment, you can get virtually any color you wish. This is important, for it means that, for the first time, you can carry color-coding systems over onto hot equipment without worrying about early paint failures.

Product finishes based on Dow Corning Silicones further prove the resistance to chalking, checking, fading and oxidation of these resins. For example: Sherer-Gillett, Marshall, Mich., a major producer of refrigerator display cases for supermarkets, has found a silicone-based enamel superior in durability . . . retaining high gloss after long wear . . . capable of absorbing more abuse.

Why not investigate silicone paints for your plant? Send today for the descriptive brochure, "Why Silicone-Based Paints Mean Less Maintenance." Write Dept. 3603.

Your nearest Dow Corning office is your number one source for latest information and technical service on silicones.

first in
silicones

Dow Corning CORPORATION
MIDLAND, MICHIGAN

ATLANTA BOSTON CHICAGO CLEVELAND DALLAS LOS ANGELES NEW YORK WASHINGTON, D. C.

Polymer Corp. Chops Nylon Tube Prices 50% in Drive for Markets

Reading, Pa.—Polymer Corp. has slashed its nylon tubular bar prices 50% in a move aimed at "stimulating widespread replacement of bronze and babbit bearings."

The cuts, which bring current nylon prices to as much as 15% below similar-sized bronze bearings, were attributed to 14 months of process development resulting in sharply reduced costs.

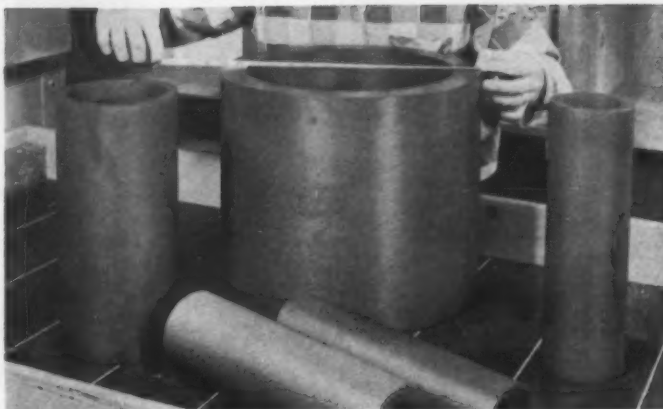
Under the new price schedule, 2-in. tubular bars with a 1 in. inside diameter for example are reduced to \$5.47, while 6 in. o.d., 4 in. i.d. tubes are priced at \$60.90.

High cost of nylon, explained a Polymer spokesman, had limited its use for many bearing applications except in cases where lubrication-free bushings were required.

The lowered prices, however, may lead to wider use of nylon as a lubricated bearing. "Nylon lubricated bearings," the Polymer executive stated, "can operate at loads and speeds more than ten times higher than when unlubri-

cated, and, in addition, exhibit substantially less wear than metal sleeve bearings in many uses."

The new prices, he said, will apply to the entire line of MC Nylon tubular bars in standard sizes ranging from 2" to 15" outside diameter, with wall thicknesses of $\frac{3}{8}$ ", $\frac{1}{2}$ ", $\frac{3}{4}$ ", and 1". Standard lengths are 8" for inside diameters of less than $1\frac{1}{2}$ " and 13" for larger sizes. Non-standard sizes are available on a "custom-made" basis.



BROAD PRICE CUTS put into effect by Polymer Corp. of all sizes of nylon tubular bars are expected to open a wide range of markets.

PIE Opens New Terminal That Consolidates Three Chicago Operation Points

Chicago—Pacific Intermountain Express has opened a large new modern freight terminal that will consolidate its Chicago operations, formerly at three separate locations.

The trucking line says its new facilities will speed freight handling, local customer service, and interlining of freight. Also, expanded two-way radio dispatching will accelerate local pickup and delivery operations at the terminal.

GE Uses Electron To Keep Track of Large Inventory

Hanford, Wash.—An electronic system currently is keeping track of more than 60,000 inventory items at General Electric's atomic plant here.

A data processing machine, heart of the system, reports the exact status of each inventory item and provides information on what to buy, how much to buy, when to buy, and how much of an item is left.

Purchasing and Stores management developed the electronic inventory management system to get more flexibility, speed, and accuracy. Operating supplies and spare parts are now being handled at substantially reduced costs, and Purchasing and Stores customers in other Hanford components are getting better service. Here's how the system operates:

Directly on Punch Cards

When any amount of a certain item is received, disbursed or adjusted, a record sheet is sent to a group of key punch operators who transfer the change to punch cards.

The punch cards are sent to Hanford's electronic data processing operation each week, leaving it to the "electronic brain" to provide fast and accurate tabulations on each of the 60,000 items. The electronic data processing machine is supplied with a special "built-in" formula for making the inventory computations.

As an example of the new system's efficiency, it was pointed out that the master inventory is now maintained on two reels of magnetic tape, which take the place of 45,000 record cards and 37 card cabinets. The entire inventory record is maintained on five 15-in. reels of tape.

Making up the total Hanford inventory of more than 60,000 items is a master list of 24,971 items, a 35,697 spare parts inventory list, and an excess property list of 2,462 articles.

Price and the COST OF POSSESSION!

If you don't figure the two, you won't have a true picture of your steel costs.

Many smart, informed steel users save money by drawing on the inventory and facilities of their Steel Service Centers. They get technical assistance. And they get steel when they want it, delivered, cut-to-size, ready for production.

This means less capital tied up in inventory. It saves costs of space. Operating costs for storing, handling, cutting

are reduced. Tax and insurance costs are kept to a minimum.

Compare all your costs of inventoried steel with the cost of steel delivered as needed. Use the chart at the right. For more information, get the booklet, *What's Your Real Cost of Possession for Steel?* from your nearest Steel Service Center. Or write to Steel Service Center Institute, Inc., 540-F Terminal Tower, Cleveland 13, Ohio.



...YOUR STEEL SERVICE CENTER

COST OF POSSESSION FOR STEEL IN YOUR INVENTORY	
Per ton delivered	_____
Cost of capital:	_____
Inventory	_____
Space	_____
Equipment	_____
Cost of operation:	_____
Space	_____
Materials handling	_____
Cutting & burning	_____
Scrap & wastage	_____
Other costs:	_____
Obsolescence	_____
Insurance	_____
Taxes	_____
Accounting	_____
TOTAL	_____
COST OF FREEDOM-FROM-RISK STEEL FROM YOUR STEEL SERVICE CENTER	
Per ton, cut-to-size, and delivered	_____
TOTAL	_____

The LAW and YOU

NIP COSTS WITH TAX CREDITS

Bound to an unfavorable long-term buy contract? You may have to make a substantial payment to cancel—but taxes can help to soften the blow. That's the lesson from Lithium Corp. of America on a long-term supply agreement.

Continuance of the contract meant a \$7-million outlay. Under a negotiation, Lithium would pay \$1.9 million. But the company estimates its actual out-of-pocket costs at less than \$800,000.

Internal Revenue Service allows deductions for settlement damages of an unfavorable contract in this instance, more than cutting the bill in half.

WATCH THE FINE PRINT . . .

Reading the fine print on a contract is instinctive with a good purchasing man. But court cases continuously indicate buyers are taken in by oral agreements despite the printed contract language announcing "this contract contains ALL the agreement."

Here's a recent example: A purchasing agent signed up for a lighting and cooling unit after the salesman told him the generator was made of battleship steel and would not rust, the tank was copper, and that a certain amount of carbide would last 12 to 14 months. Actually the steel did rust and the carbide lasted less than 12 hours. But the damage suit was tossed out by the court. The judge read the fine print, the P.A. did not.

AND THE TONGUE, TOO!

Purchasing contracts have their roots in a three-century-old English law generally called the Statute of Frauds. It has been adopted by nearly all states and calls for certain contracts to be made in writing to make them legally binding. In most states a contract to buy goods over \$50 (or other fixed minimum) in value is not enforceable in law unless some note or memo in writing is signed by the party to be charged.

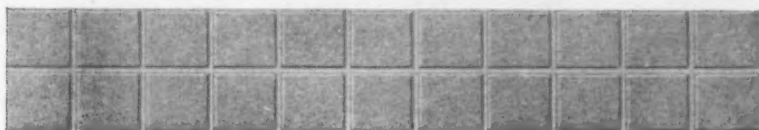
There are these exceptions, though:

You can be held to an oral contract if you give the seller a deposit to bind the deal or give him part payment. Also if the goods are to be manufactured especially for you are not suitable for sale to others in the ordinary course of the seller's business, the contract can be enforced against the buyer even in the absence of a note or memo.

LEASE OR BUY?

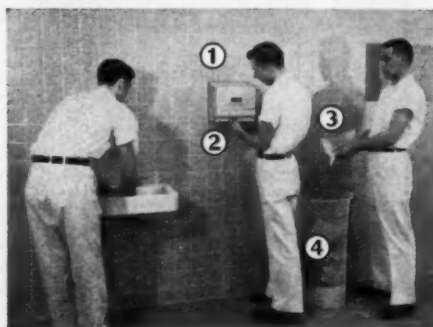
Leasing rather than purchasing new equipment has many attractions. From the tax angle: Rentals are fully deductible currently in contrast to a spread-out depreciation on owned equipment. But the Treasury will disallow the deductions if it suspects a lease arrangement that is a cover-up for an actual sale. Particularly vulnerable are leases with options to buy.

But Western Contracting Corp., on short term leases ranging from seven to 28 months for 93 pieces of equipment, was allowed the rental deductions—even though it bought the equipment on lease termination at list, less prior rental payments. The Appeals Court said Western had no option to buy under the lease-contracts, nor any legal right to acquire the equipment. In its holding, the court upset contrary Treasury and lower court decisions.



What does your towel service cost?

You can raise the standard of service...yet reduce the cost by using Mosinee Turn-Towels!



- ① 417 towels per roll mean less cabinet filling
- ② Push button control means 40% to 50% less towels used
- ③ Pure sulphate towel means fast drying — extra strength
- ④ Fewer towels used mean less washroom maintenance

Write for name of nearest distributor



WARRANTY OR SALES PITCH?

Spelling it out in writing is the best way to get what you bought. But not having it in writing does not mean you don't have a warranty or guaranty. Reference in your agreement that equipment or supplies are to conform to a sample or model furnishes you with a defense if they fail to measure up. Or any description of the supplies by the seller which is part of the sale gives you a warranty that the goods shall conform to the description. But the seller's opinion as to value does not create a warranty.

CONVENTION SIDELIGHT

Can you deduct your wife's travel and hotel costs when she accompanies you to a business convention, such as the NAPA session in Los Angeles this May? If her presence serves a direct business purpose, you can; but the Treasury rarely is convinced. However, in a recent case an executive was reimbursed by his company for his wife's travel costs, and the court reversed the Treasury in its attempt to tax him on the reimbursement as income. Here the employer-company stressed the wife's role in the business. She was interviewed before her husband was employed and her company-loyalty was constantly solicited to make amends for the company demand on his time.

(The above material was prepared by Sydney Prerau of the J. K. Lasser Tax Institute for PURCHASING WEEK. Reader inquiries on general tax and legal aspects of purchasing will be discussed here in accordance with space limitations and applicability.)

For You, Mr. Purchasing Agent

These Are The Fairbanks Products That You Will Be Hearing About From Your Fairbanks Distributors—This Month!



Fairbanks Patented Renewable Seat Ring Bronze Gate Valves

Now, without ever removing the valve body from the line, you replace the seat rings in a gate valve. In just 7 to 10 minutes you have the equal of a new gate valve back in service. Just think of the savings in time and effort you get. This valve is typical of the values to be found in the full line of Fairbanks Bronze and Iron Body Valves.

Fig. 1236 — 200# S.W.P. — R.S. Gate Valve
Also available Fig. 1232 N.R.S. Gate Valve



Fairbanks Two-Wheel and Platform Hand Trucks

There's a Fairbanks Two-Wheel and Platform Hand Truck to meet every need and give you important time and cost savings. Important exclusive standard Fairbanks sales features include steel framed handles on two wheel hand trucks and double angle iron frames and patented LOCKWELD Steel Casters on platform trucks. Remember, Fairbanks Trucks are backed by 70 years of dependable service to assure longer trouble-free operation.

Fig. 9215-S — General Purpose Truck

Getting the facts on these featured Fairbanks products is important to you. Because, like all Fairbanks products, the valve and truck featured provide unique benefits, assure dependable trouble-free operation. And, all Fairbanks products are immediately available from Fairbanks stock carrying distributors.

THE Fairbanks COMPANY

VALVES • DART UNIONS • CASTERS • TRUCKS • WHEELS



Executive Office:

393 Lafayette Street, New York 3, N. Y.

520 ATLANTIC AVENUE BOSTON 10, MASS. 2600 S. THROOP STREET CHICAGO 8, ILL.

393 LAFAYETTE STREET NEW YORK 3, N. Y. 15 STANWIX STREET PITTSBURGH 22, PA.

202 DIVISION STREET ROME, GA.

FACTORIES—BINGHAMTON, N. Y. and ROME, GA.

Sold through leading distributors in all principal cities

Dutch Firm Can Handle 100,000 Packages a Day Watertown Miffed By Price Fixing

Eindhoven, The Netherlands—Philips, Western Europe's largest electrical manufacturer, has developed a unique, fully integrated freight handling system to take care of the concern's rapidly expanding volume of freight shipments.

The system, planned by a team of experts, uses a whole bag of material handling tricks to break down and distribute 40,000 cu. ft. of inbound truck freight a day. An average of 80,000 individual packages are received daily but Philips expects the 300,000 sq. ft. terminal can handle over 100,000 packages a day.

Trucks enter the terminal over a mile-long private roadway. There's plenty of room to maneuver big trailers into individual unloading booths. Red lights over the doors of the booths tell the drivers which ones are occupied. Once the truck has backed in, an air curtain maintains the air-conditioned temperatures of the unloading dock.

Philips developed a simple but effective unloading ramp that adjusts to the height of any truck. It's operated by counterweights and costs only a tenth as much as hydraulic docks.

Freight handlers unload the vans with a variety of lift trucks.

Yale and Clark trucks are among those used by Philips. Bright lighting makes the job easier—the building roof has transparent plastic panels, plus electric flood lights.

Three trailer trains pull five-car loads of special pallets into the storage areas. Philips decided to use tractor-pulled trains rather than a tow-train because the arrangement is more flexible and saves space for storage. The trains cross railroad tracks by special portable aluminum bridges.

The supervisor in charge

guides the operation from a glass-enclosed control tower. He also has closed-circuit TV to help him cover all parts of the bays.

In late 1960 or early 1961, Philips plans to add another wing to the terminal. To cope with the additional flow of traffic, the company may use driverless trucks, guided by an electronic control system through thin metal strips taped to the floor. This method will enable a single operator to program instructions to all the truck trains in the terminal.

Watertown, N. Y.—Overtones of collusion hit the city council here when eight chemical companies offered to supply the city with its anhydrous ammonia needs for the year at an identical price of 20¢ per lb.

Pennsalt Chemical Corp., New York, was awarded the contract after dropping its bid to 18¢ on the understanding it be allowed to make delivery simultaneously with liquid chlorine intended for city water purification. Pennsalt had won this contract, which also was bid identically.

Mayor William G. Lachenauer

told the council that the fact that Pennsalt acquired the chlorine contract "gave it unfair leverage over its competitors" by allowing it to make an alternate bid based on simultaneous delivery.

"Apparently prices are established throughout the industry," he added, "and I'm disturbed over this price fixing." He said he was forced to vote for the lower bid to save taxpayers \$120 on the amount of the purchase.

Some council members indicated the situation would be called to the attention of State Atty. Gen. Lefkowitz.

CommonMarketMembers Slap a 10% Tariff On All Aluminum Imports

London—The European Common Market has decided to set a 10% joint external tariff on all aluminum imports despite a recent plea by Aluminium Ltd. (Canada) President N. V. Davis for free trade on that commodity.

As a result of the Common Market decision, aluminum now goes on the Inner Six's "List G"—an assortment of products and raw materials on which Euromart countries will "harmonize" their tariffs against outsiders next July 1. Rates for all other items on this list, except petroleum, have now been decided.

Davis had told members of the Common Market that a big shift to more international trade in primary aluminum was on its way, that might result in weakening measures used to protect member aluminum industries. He warned that Euromart countries would have to look to foreign suppliers more and more for their aluminum supplies, and, as a result, he hoped they would decide for a lower rate.

The 10% tariff compares with current 7% German tariffs, though a big chunk now gets in duty free "under certain circumstances." Other tariffs now in effect include a 20% duty in France, 28% in Italy, and no tariffs in the Benelux countries.

Ban Foreign Materials

Deer Park, Tex.—The Deer Park City Council has voted not to allow contractors to use foreign-made materials in any future work done for the city.

The action was taken in a directive aimed at the city engineer. He was told to specify in any future bids received by the city that only American-made products would be acceptable.




"When I buy components...

I look for QUALITY"

... states Mr. R. P. Scheibel, Director of Materials for the Jefferson Electric Company, shown with Jefferson's handsome new cordless electric clocks. "Quality is the foundation of our reputation as a maker of fine clocks and other products. The suppliers we deal with must come through with components which can pass our high standards, and of course those components are the result of sound engineering and quality control. We have depended on Mallory for 25 years."



See MALLORY for:

- Mercury and Zinc-Carbon Batteries 
- Capacitors 
- Controls 
- Timer Switches 
- Vibrators 
- Contacts 
- Special Metals 
- Electronic Assemblies 
- Welding Materials 

Grace Line Suspends 'Seatainer' Service After Its Inaugural Run

New York—Grace Line has suspended its container ship service to Venezuela because of refusal of South American long-

shoremen to handle the self-loading vessels.

Grace's first container ship, the Santa Eliana, was boycotted for more than two weeks at the Venezuelan port of La Guaira when dockworkers went on a sit-down demonstration because of fears that fully mechanized cargo handling equipment would threaten their jobs.

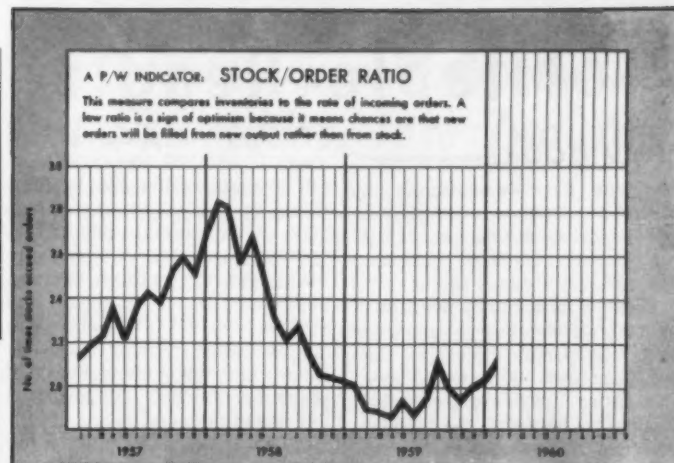
As a result the vessel was tied up in Baltimore last week along with her sister ship, the Santa

Leonor, which had been scheduled to make her inaugural South American run last Feb. 19.

First All Container Ship

The Santa Eliana was the first all-container ship to enter the U. S. foreign trade shipping lanes when she sailed on her maiden voyage last Jan. 29. That voyage marked the beginning of what Grace had hoped would be their "Seatainer" service.

RIISING INVENTORIES are not being matched by incoming orders. A sustained rise in this curve could mean some production slowdowns ahead.



Purchasing Week

March 14, 1960

Follow Up: Letters And Comments

On Payola

Springfield, Ohio

I listen to the state-wide Sohio Reporter, Bill Tompkins, from 7:45 to 7:55 A.M. while traveling to work. On Feb. 12—of all days Lincoln's birthday—the Sohio Reporter boldly reported that it is more or less an accepted practice for purchasing agents and buyers to accept cash from suppliers to induce them to purchase the products the supplier is selling.

I have been a purchasing agent since I was 24 (1945) and have yet to experience such offers from any reputable supplier who would be suitable to supply industry.

There are good and bad in all races and creeds. After a man or woman reaches a certain height in his or her profession or vocation, the promiscuous word word "payola" can rear its ugly head.

Have we as a nation degraded ourselves to the place where all we can speak of are the off-color exceptions? One expects notorious indecorum to be publicized as this sells newspapers and creates a listening audience, but to deliberately reach out and select professions to degrade without statistical information or justification is ridiculous.

C. P. Siemon

Purchasing Agent
Buffalo-Springfield Co.
Div. of Koehring Co.

Nailing It Down

Pittsburgh, Pa.

In reading through your Feb. 1 issue, "Inventory Scramble Fails to Materialize, PW Survey Shows; But 31 Materials Remain Scarce" (p. 1), I noticed that nails are listed.

We are manufacturers of nails in a small way with a carload-a-week capacity, but due to the heavy importing of foreign nails of inferior quality and low price, our market was taken from us. For the last two years we haven't manufactured any nails.

The mills are the largest supplier of nails but they too have felt the impact of the low import price and given up nail manufacture; for instance here in the Pittsburgh area, the Pittsburgh Steel Co. quit the nail end of the business last year.

We have been receiving calls for nails from some of the contractors who are beginning to realize they did not have any bargain with the low price ones and are shopping around for domestic nails and are having a hard time locating them.

L. A. Beck

President
Rapid Manufacturing Co., Inc.



PHOTOGRAPHS COURTESY OF STEELCASE, INC.

Low cost strapping station incorporates Signode power strap feeder and combination strapping tool. Flange-holding fences support strapping at right height. Table adjusts for various size cartons.

Inset: packaged desks stack neatly, four high.

Signode way cuts time and cost

This manufacturer is realizing remarkable savings. Two men do what three men did, in two-thirds the time, and at a 15% reduction in material costs. How? By packing steel desks in interlocking flange containers secured with Signode steel strapping. The rugged combination of steel strapping and corrugated board protects without marring the carefully finished desks. The uniformly compact cartons stack easily in warehouse, boxcar, or truck. An investment of only \$1300 for Signode high speed strapping equipment for top and bottom caps broke the packaging bottleneck. Let your local Signode representative help you plan your packaging operation so that you can reap savings such as these, or write to:

Write us and we'll have your Signode man show you our new 4-minute color movie of this entire packaging operation.



First in steel strapping

SIGNODE STEEL STRAPPING CO.

2670 N. Western Avenue, Chicago 47, Illinois

Offices Coast to Coast. Foreign Subsidiaries and Distributors World-Wide
In Canada: Canadian Steel Strapping Co., Ltd., Montreal • Toronto

Profitable Reading for P.A.'s

New Books

Managing By Communication, by Willard V. Merrihue. Published by McGraw-Hill Book Co., Inc., 330 W. 42nd St., N. Y. 36, N. Y. 306 pages. Price: \$7.

Today's developing concept of business leadership is exercised largely by persuasion rather than by command, the author says. The entire "business climate" is affected by how well the manager exercises his powers of persuasion.

The book is not a primer on public speaking, report writing, or conference leadership, but an illustration of the best ways to get ideas across. Communication, in the author's opinion, is not only just an exchange of ideas between people, but the art of getting results.

Emphasis is placed on the practical uses of the communication process within the business setting by each layer of management. Chapters are devoted to practical problems of communication such as: methods of communicating praise, censure and progress by the foreman; steps to take before, during and after strikes; and selection of the right media for different situations as they occur.

As manager of community and business relations, General Electric Co., the author draws liberally from his experiences. Practical examples are given to show businessmen how planned communication can be applied both inside and outside the business to obtain optimum long-range profit, growth and survival objectives.

From the Manufacturers

Leasing Equipment

Brochure outlines reasons for leasing and answers common questions on practice and procedure. General office and production equipment for all types of businesses and industries are covered by the leasing plan. **United States Leasing Corp.**, 580 California St., San Francisco, Calif.

Fire Fighting Equipment

Catalog contains specifications of sprinkler systems, fire hose, portable extinguishers, and others. All products are indexed and shown in the sequence in which they normally would be specified and purchased. 1960 catalog (28 pages), Form S-62. **Fyr-Fyter Co.**, Customer Services Dept., 221 Crane St., Dayton 1, Ohio.

Toggle Switches

Toggle switches and assemblies for use in marine, airborne, electronic, and mobile applications are described in Catalog 73d (31 pages). Catalog includes wide selection of military versions (MIL-S-3950A), as well as pull-to-unlock, hermetically sealed, miniaturized designs, and others. **Micro Switch Div.**, Minneapolis-Honeywell Regulator Co., Freeport, Ill.

Hoists And Cranes

Capacity and specification for electric hoists and cranes are included in Bulletin E-313 (4 pages). Diagrams, photographs, and application data show assembly methods and available sizes. **Northern Engineering Works**, 210 Chene St., Detroit 7, Mich.

Laminates

Publication lists applications, characteristics, and sizes of over 50 grades of laminated plastic sheets, tubes, and rods. Included are phenolics, silicones, melamines, and epoxies with filler bases of paper, nylon, cotton, asbestos, and glass fabric. Features and properties of copper-clad laminates for printed circuits are also shown. Catalog L-CDL-199 (16 pages). **General Electric Co.**, Laminated Prod. Dept., Coshocton, Ohio.

Marking Materials

Self-sticking identification described in Catalog 520 (28 pages) provides standardized system for plant-wide maintenance and safety marking. Publication covers proper marking of piping, wiring and electrical equipment, machinery, and safety hazards. Specific industry and military standards are listed. **W. H. Brady Co.**, 727 W. Glendale Ave., Milwaukee 9, Wis.

Lab Instruments

Brochure details and diagrams major components and design standards of electrical instruments used in laboratory. Instruments described include d-c voltmeters and ammeters, wattmeters, and transformers. **Weston Instruments Div.**, Daystrom, Inc., 614 Frelinghuysen Ave., Newark 12, N. J.

Boring Machines

Folder describes single and double-end machines for boring small holes at close center tolerances. Specifications, floor plan, and photographs illustrate various spindle setups and accessory equipment. **Ex-Cell-O Corp.**, 1200 Oakman Blvd., Detroit 32, Mich.

Plastics

Bulletin outlines properties, applications, and availabilities of nylon, Teflon, TFE base resin, and other industrial plastics. Tubing, braided hose, molding powders, and special formulations also are covered (16 pages). **Polymer Corp.**, 2120 Fairmont Ave., Reading, Pa.

Control Panels

Illustrated bulletin (12 pages) describes four basic types of control panels for automatic materials handling systems. Center fold carries schematic drawings of systems used to con-

trol unloading, reclaiming, and processing of materials. **Fuller Co.**, Catasauqua, Pa.

Electrical Distribution

Comprehensive, 60-page catalog provides prices, applications, and specifications for industrial plant and commercial building electrical distribution systems. Main sections cover molded case circuit breakers, individually enclosed low-voltage power circuit breakers, and engineered products, such as switchgear, substations, and transformers (1960 Speedfax Catalog). **I-T-E Circuit Breaker Co.**, 1900 Hamilton St., Phila. 30, Pa.

Laboratory Furniture

Catalog illustrates complete line of fume hoods, wall and center tables, distillation racks, sink assemblies, storage cases, and others. Design ideas for new laboratories are also included in Catalog D-5. **Duralab Equipment Corp.**, 992 Linwood St., Brooklyn 8, N. Y.



LITTLE THINGS MAKE ROYAL EQUIPMENT GREAT

— and keep output high all day long

A Royal chair may look like others—but not to the worker who sits on one all day. A case in point—Model 515 above—America's foremost production stool. Its uncluttered lines hide a dozen features that help posture, comfort, and efficiency... the big, contoured, 4-way adjustable back is mounted on spring steel to respond to the slightest body movement... the legs telescope for height adjustment... no protrusions to cause injuries... ■ There are dozens of Royal chairs and stools for industry. Each the best for its specific purpose. ■ The same holds true for Royal cabinets. All corners are rounded, all hinges and fastenings concealed. The extra heavy gauge panels are flush finished. Doors are rigid, shelves are adjustable and every cabinet is ventilated. Write today for full details. ■ **ROYAL METAL MANUFACTURING COMPANY**, One Park Avenue, New York 16, New York. In Canada—Galt, Ontario.

Royal
INDUSTRIAL EQUIPMENT

SPECIAL RIVETS
like some of the samples shown here... or the more commonly used tubular and split rivets... they're all alike to the American Rivet Co. And always—our own special brand of quality and service that gets you what you want when you want it.

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Write for price list. For specials, send specifications for prices.

BUY AMERICAN Tubular and Split RIVETS

Stack-n-Nest® TOTE PANS



- Carry bigger payloads... tested to 3000 lbs. safe static load.
- Work efficiently... here are 373 pans nested in 13 sq. ft. of space, with room to spare.
- Stack high with perfect safety.
- Need no maintenance. These smooth, one-piece Fiberglass pans won't rust, dent, or burr out... unaffected by oil, water, and most chemicals.
- Stack and nest within their own dimensions without gadgets.
- In stock at Lewis... all sizes ready to ship to your order within 24 hours.

Patented 2,623,828 2,623,829
Widest range of sizes and colors... write for complete details TODAY!

G.B. Lewis COMPANY
143 MONTGOMERY STREET • WATERTOWN, WISCONSIN

New York Legislators Debate No-Bid Purchasing

Albany, N. Y.—Stiff opposition is developing in the Assembly to a Senate-approved measure that would eliminate public bidding from local buying operations.

"Approval of the new measure would be an open invitation for political henchmen of the party in power in every municipality to get municipal business without open competition," declared an official of the State Division of Standards and Purchase.

Would Replace Present Bid Law

Under the new measure, which was passed by unanimous vote of the Senate, officials and all municipalities would be empowered to purchase supplies without any form of public bidding. The proposal would replace the present law requiring publicly advertised bids on all purchases in excess of \$1000. State purchasing officials say even this law has too many loopholes.

Reports on file with the State Dept. of Audit and Control indicate that the present law is being violated by about one-fourth of the state's 925 school districts. One recent example was a no-bid purchase of \$7,321 worth of athletic equipment by the Troy public schools.

Few Using Services

In addition, a recent survey of school buying procedures showed that only one-fourth of the state's school districts were buying supplies through Albany's central purchasing bureau. "Failure of public schools to take advantage of bulk-buying procedures," said one state P.A., "is adding mil-

lions to the cost of education."

This "wholesale disregard" of the current central buying setup influenced, in part, at least, the request for a new law by Gov. Nelson Rockefeller's Office of Local Government.

Headed for Trouble

The measure now before the Assembly, however, is bound to run into considerable trouble from such groups as the County Highway Superintendents Association and New York State Construction Equipment Dealers Inc.,

which have each filed memoranda calling for defeat of the bill.

The superintendents' group says it's opposed to the new bill "because it will take control of purchasing out of the hands of the highway superintendents and place it with the state."

At the same time the equipment dealers charge that the measure "would force a dealer to sell materials and equipment to a political subdivision at the same discount allowed the state on large purchase orders."

Dow Chemical Expansion Program Will Cost \$30-Million, Take Two Years

Plaquemine, La.—A \$30 million expansion program which will take two years to complete is now underway at Dow Chemical Co.'s Louisiana Div.

Includes New Plant

Broad plans include a plant for the production of ammonia, increases in production capacity for chlorine, caustic soda and vinyl chloride, and additions to power and steam generating facilities.

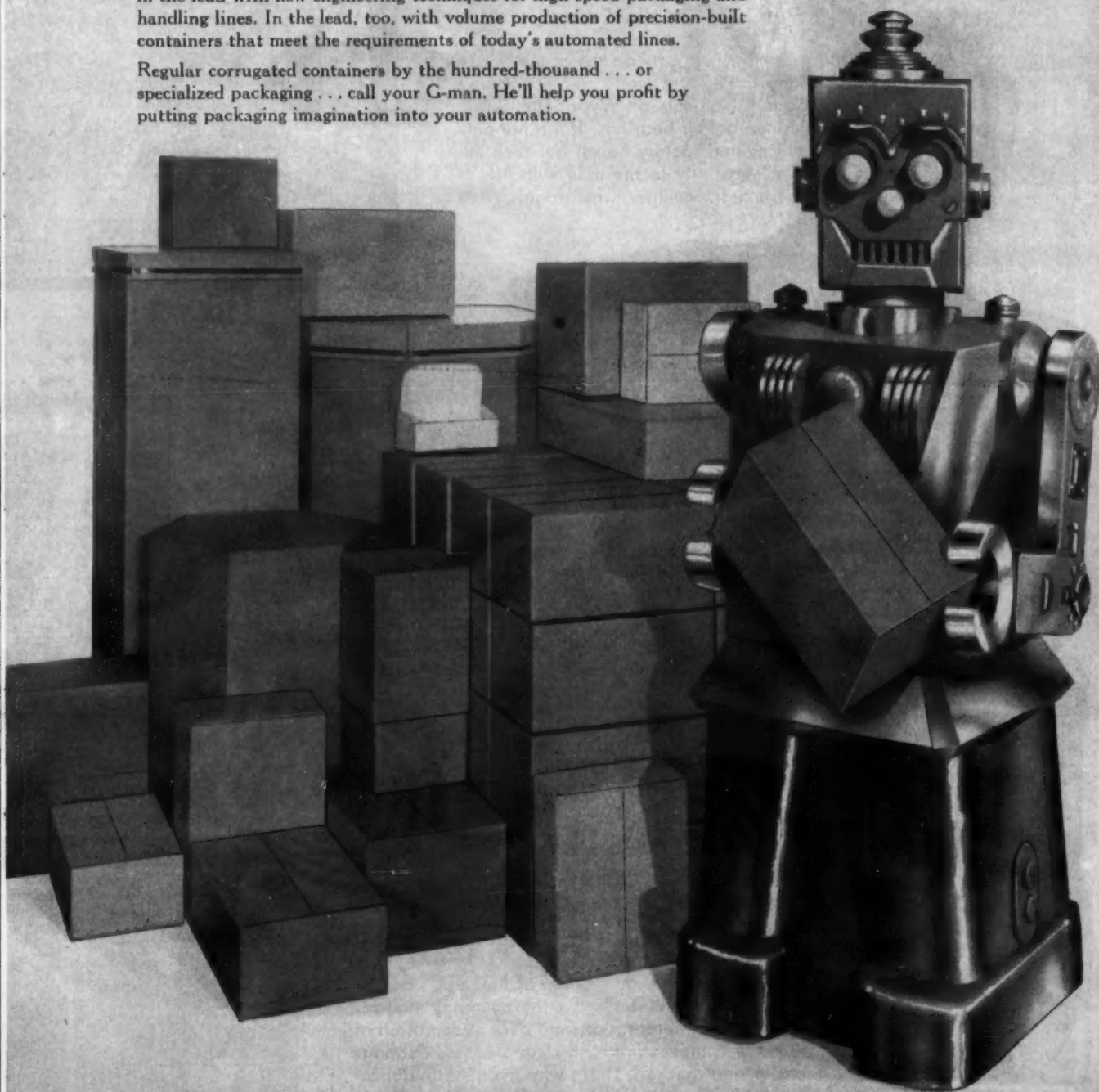
The new ammonia plant will make both anhydrous and aqueous ammonia. A principal use, based on its high nitrogen content, is as a fertilizer. It also finds extensive use as a basic industrial chemical for the production of plastics, synthetic fibers, pharmaceuticals, and as a refrigeration medium.

When completed, the expansion will bring Dow's total investment at Plaquemine to more than \$100 million.

GAYLORD PUTS IMAGINATION INTO YOUR AUTOMATION

Not ready for robots? Fast-moving progress in automation can out-date your packaging operations in just a few years. That's why you'll find Gaylord in the lead with new engineering techniques for high-speed packaging and handling lines. In the lead, too, with volume production of precision-built containers that meet the requirements of today's automated lines.

Regular corrugated containers by the hundred-thousand . . . or specialized packaging . . . call your G-man. He'll help you profit by putting packaging imagination into your automation.



Commerce Dept. Delays Its New Bid Regulation Affecting U. S. Projects

Washington—The Department of Commerce has postponed until May 1 a new regulation requiring all state highway departments to "Buy Foreign" on federal-aid projects where overseas bids are substantially lower than domestic prices.

How It Works

Under the new regulation, aimed at putting teeth into the longstanding Buy American Act, state road officials would have to award contracts to low-bidding foreign companies when the overseas price is more than 6% below domestic bidders in an area of non-critical employment.

If, however, the contract involves an industry in which a "substantial" portion of the American labor force is unemployed, the foreign bidder would have to be 12% below U. S. bidders in order to get the award.

Favors Domestic Bidders

Under present Commerce Dept. regulations, states may—and, in fact, do—favor domestic over foreign bidders on federal-aid highway projects, regardless of price differentials.

The new rule was postponed after Gov. David Lawrence and three Pennsylvania congressmen convinced Commerce Secretary Frederick H. Mueller that the change would cause a substantial loss of business to cement and steel plants in their state.



CROWN ZELLERBACH CORPORATION
GAYLORD CONTAINER DIVISION



IN CANADA • CROWN ZELLERBACH
CANADA, LTD. VANCOUVER, B. C.
HEADQUARTERS, ST. LOUIS
PLANTS COAST TO COAST

When the Supplier Salesman Calls, How Do You

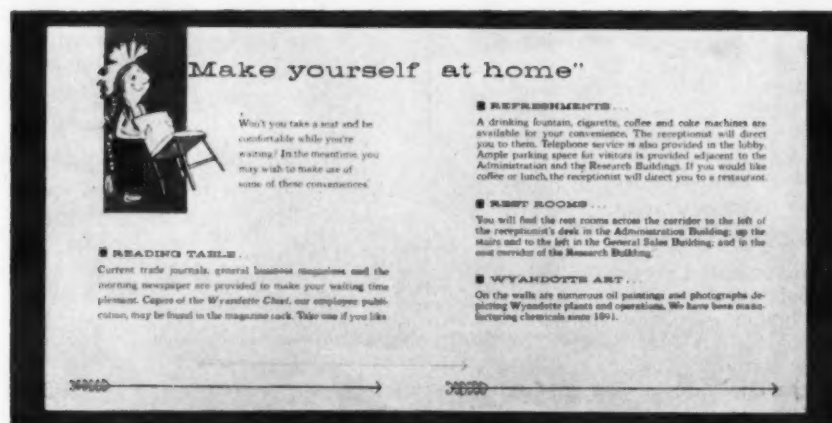
Purchasing Week put that question to hundreds of companies in a broad cross-section of industry. The answers came in the form of welcoming booklets and pamphlets like those you see in the photostat right and below. Booklets ranged all the way from two-page mimeographed sheets to U.S. Steel's Columbia-Geneva Division's 81-Page purchasing directory. But

size, expensive four-color printings of a firm's operations the main criteria for judging how the purchasing department lays out the welcome to visitors. Key ingredients of a welcome booklet are illustrated on this page. Booklets in use at the firms noted

Put Him at His Ease

1

When the salesman first gets on the scene, make sure he's comfortable, and well oriented. Here's how Wyandotte Chemicals of Wyandotte, Mich. helps the salesman get his bearings: It lists not only location of offices and factory hours, but such important details (especially to the man who has to wait) as refreshment facilities, rest rooms, and other facilities.



Introduce Him to Your Company

2

No one really minds being told what he already knows, say the psychologists. That's why you'll do yourself no harm when you take the trouble to let the vendor representative know about your industry—what it does, the role your firm plays in it, your company's personality and tradition. The Dow Chemical Co., in Midland, Mich., for example, uses an informal approach, like that shown at right.



State Your Purchasing Policy

3

Clear and concise description of how you operate your department—and how the company policies back you up—removes a great deal of confusion at the outset, makes firm and clear business dealings easier and quicker. That's why Ryan Aeronautical Co., at its Lindbergh Field, San Diego, plant makes no bones about its rules on quotes, negotiations, cash discounts, and other policies.



You Say Hello?

, and flowery de-
re not necessarily
effectively a pur-
welcome mat for
or welcome book-
examples are from



List Who Buys What

4

Once the vendor's man has the policies spelled out for him, the next step in orienting him to your company is to show him your own face and the faces of your assistants (like Shell Oil Co. in Los Angeles does in the booklet shown at right). Shell also lists divisional or departmental connection as well as name and commodity responsibility. Saves time all around.



Tell Him About Your City

5

Once you've got your man oriented to your own plant or office, he's still likely to be anxious to know about the city you're located in. Chances are he's a stranger. Or, if he's an old timer, perhaps he'll be grateful for up-to-date information on restaurants, hotels, transportation, and highway mileage. At least that's the theory that Cooper-Bessemer Corp., Grove City, Pa. uses.



While He Waits, Ask Him for Help

6

Every P.A. knows what a savvy salesman who's alert to industry trends can do in the way of helpful suggestions. That's why more and more companies are actively soliciting the salesman's ideas, for, as the old axiom goes, "By helping us you help yourself . . ." Western Electric believes in that sort of cooperative relationship. As the company says: "Join the team, teamwork cuts costs."



P/W REPORTS ON RESALE PRICES

Latest Auction Prices

FEBRUARY 16

Auction held at S & L Tool Co., Inc., Bronx, N. Y. Auctioneer: Industrial Plants Corp.

Van Norman No. 2 plain milling machine. \$1,500.
Pontigia & Testa universal milling machine. \$1,800.
Induma universal milling machine. \$1,250.
(2) No. 125A Burke hand millers. \$220 and \$280.
Hulhorst bench miller. \$90.
Niagara A2 open-back inclinable press. \$450.
13 x 36-in. Clausing Colchester toolroom lathe circa 1958. \$2,500.
14 x 36-in. Rapido junior toolroom lathe, good. \$1,750.
12½ x 30-in. Cincinnati Traytop lathe circa 1958. \$2,200.
12 x 30-in. Hendey geared head lathe. \$1,800.
14 x 36-in. Whitcomb Blaisdell lathe. \$120.
(2) Logan Model 920 lathes. \$400 and \$500.
Model 815 Logan lathe. \$310.
Model 820 Logan lathe. \$375.
6 x 18-in. precision bench lathe. \$175.
No. 2D Herbert turret lathe, preselector head, arranged for bar and chucking, many accessories circa 1956. \$2,400.
No. 1 Brown & Sharpe universal cylindrical grinder. \$2,450.
Reid No. 2B surface grinder. \$1,250.
20-in. Walker-Turner upright floor drillpress. \$300.
(2) 17-in. Delta upright floor drillpresses. \$145 and \$160.
(3) Buffalo 15-in. upright floor drillpresses. \$70 to \$80.
Sunnen honing machine, Model MBB 625. \$450.
Hermes engraving machine, with number and letter sets. \$260.
Garage-type air compressor. \$135.
Hamilton No. 1 precision gear hobber. \$500.
Scheer precision gear checker. \$40.
Kalamazoo metalcutting bandsaw. \$320.
Famco No. 612 metalcutting bandsaw. \$375.
Stone abrasive cutoff saw. \$180.
No. 3 JP Rockwell hardness tester. \$250.

JANUARY

Auction held at Gould & Eberhardt Mfg. Co., Irvington, N. J.
Auctioneer: Samuel L. Winternitz & Co., Chicago.
Giddings & Lewis Model 340-T boring bar. \$16,000.
Bullard CutMaster vertical boring mill. \$15,500.
Jig borer ("old clunker"). \$3,500.

Warner & Swasey 4-A turret lathe, circa 1952. \$29,000.
Gisholt Model 2-L turret lathe. \$12,000.
Monarch Model CM tracer lathe, 120 in. \$10,000.
Monarch 96-in. engine lathe. \$8,500.
Carlton 6-ft., 9 in. radial drill, circa 1951. \$18,500.
Cincinnati Hypro openside planer, 72 in. x 72 in. x 30 in. \$52,500.
Cincinnati No. 2 tool and cutter grinder. \$2,800.
Mattison surface grinder, 24 in. x 30 in. x 96 in. \$12,000.
Gould & Eberhardt 36-H universal gear hobber. \$8,500.
Gould & Eberhardt 36-B gear cutter. \$3,850.
Coniflex, good condition. \$4,500.
Clark fork lift electric truck, 3,000 lb. \$2,300.
LePont 3-L horizontal broacher, old, poor shape. \$3,400.
Several cranes, price varies with rail equipment. \$200 to \$1,500.

FEBRUARY 24

Auction held at Huntington Furniture Corp., Huntington, W. Va.
Auctioneer Samuel L. Winternitz.
Deal 75 rip saw. \$2,750.
Wilkin-Challenger Tenoner. \$7,500.
Vonnegut 4-in. molder. \$2,750.
Deal 660 glue-edge jointer. \$950.
Rootes borer. \$2,700.

Coming Auctions & Sales

MARCH 15

Bronson Tool & Die Co., 404 Union St., Bronson, Mich.
Late model boring mills, jig borers, presses, Hydrotels, milling machines, lathes, radial drills, secondary and inspection equipment.
Write, wire, phone: INDUSTRIAL PLANTS CORP., 316 S. LaSalle St., Chicago 4 (WA 2-7315).

MARCH 17

Waldorf Instrument Co., Huntington Station, L. I., N. Y.
Micro form, angular form, true

form, and surface grinders; engine and turret lathes, milling machines, Dialmatic screw machine, thread rollers; secondary, inspection, and hydraulic testing equipment.
Write, wire, phone: INDUSTRIAL PLANTS CORP., 90 West Broadway, New York 7 (BA 7-4185).

MARCH 22, 23, 24

New Haven Clock Co., New Haven, Conn.
Complete screw machine and production facilities: more than 500 machine tools: B & S and Swiss automatic screw machines, milling machines, jig borers, wire machinery, testing equipment, gear cutters, presses; plating, heat treating and inspection equipment.
Write, wire, phone: INDUSTRIAL PLANTS CORP., 90 West Broadway, New York 7 (BA 7-4185).

MARCH 29, 30, 31

Continental Gin Co., Birmingham, Ala.
11 vertical and horizontal boring mills, 3 jigmills; 40 turret, engine and chucking lathes; 16 planer and miscellaneous milling machines, 16 radial drills, 40 centerless, rotary and surface grinders; 9 double-crank OBI presses and press brakes, 7 shears, 7 bending rolls, gear and secondary equipment.
Write, wire, phone: INDUSTRIAL PLANTS CORP., 90 West Broadway, New York 7 (BA 7-4185).

APRIL 5

Industrial Mechanics, Inc., 4234 W. Taylor St., Chicago.
Write, wire, phone: INDUSTRIAL PLANTS CORP., 316 S. LaSalle St., Chicago 4 (WA 2-7315).

Two Big Auctions

The used-machinery market remained a buyer's market last month (see chart, above). Meanwhile, plans for two giant auctions took shape in New Haven, Conn., and Birmingham, Ala. They're both coming up next month and promise to be among the biggest sales of the year.

• **New Haven** — March 22 through 24 will see auctioning of more than 500 machine tools, most of them late models, at New Haven Clock Co., New Haven, Conn.

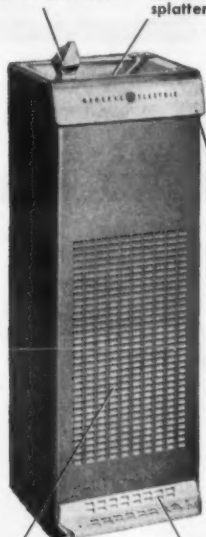
Outstanding features will be more than 50 Swiss automatic screw machines and 150 Brown and Sharps.

• **Birmingham** — The second major auction will take place March 29 through 31 at Continental Gin Co., Birmingham, Ala., where more than 300 machine tools, original value more than \$2 million, will go under the hammer.

A feature-by-feature review of General Electric water coolers shows it pays to . . .

No-squirt bubbler maintains continuous, proper stream height.

Anti-splash basin is designed to prevent splashing, spilling, splattering.



New top—easy to clean, smart appearing, electro-polished, stainless steel finish.

Attractive front panel snaps off; allows easy access to controls.

No-grope, full-width foot pedal permits easy water control.

LOOK BEYOND THE OBVIOUS

At first glance, all water coolers may seem alike. But it will pay you to take a closer look at General Electric water coolers. Only General Electric coolers offer you **TOTAL VALUE**—a combination of product features and back-up services that give you more than just a water cooler. For instance:

Design Features—General Electric water coolers are built to last. You get style leadership, and compact, sturdy design. The features shown at left are typical. Others include: Easy-to-dial water temperature control and a hermetically-sealed refrigeration system that is lubricated for life.

Economy—13 models (including hot-and-cold, pressure and bottle-type models) are moderately priced. Operating costs are negligible.

Availability—Just check the yellow pages for your General Electric water cooler distributor. He can deliver the units you need immediately.

Warranty Protection—A written one-year warranty on all parts and five-year replacement agreement on the refrigeration system help you avoid major repair costs. Also, nationwide General Electric Service Centers are always close at hand.

Add to these advantages General Electric's long years of leadership with water coolers and you can see that only General Electric offers you all-round **TOTAL VALUE** for the water coolers you buy.

761-3



GENERAL  ELECTRIC

Los Angeles Purchasers Help Chamber Of Commerce to Boost Local Industrial Diversity

Los Angeles—Members of the Purchasing Agents Association of Los Angeles have teamed up with the Chamber of Commerce in a program aimed at stimulating diversification of Southern California's industry.

First step in the program is a market analysis survey now underway. The Chamber of Commerce, in cooperation with the Los Angeles P.A. group, sent out over 1,400 questionnaires asking Southern California's company executives these questions:

- What is the total amount of purchases made by your company in the Southern California area?
- What is the approximate percentage of goods not purchased locally?
- What specific items are you now buying out of state or in other parts of California?
- What specific items would your company like to see manufactured locally?

The Chamber hopes to use survey findings to aid local firms in "their search for new items that could be profitably marketed here by focusing their attention on various types of goods not now produced locally," explained C of C president James S. Cantlen.

"It is believed," he said "that this survey will develop basic information which will be vital to the problem of creating employment opportunities and will pro-

vide vigor and dynamics for the area's diversification and development programs."

The poll results, which will also be available to banks, utilities, transportation companies, and industrial realtors, will be released at the upcoming C of C-sponsored New Product Exhibit and Conference here Mar. 17-18.

At that time, the Chamber hopes to bring together "small businessmen looking for a new

product and inventors seeking an outlet for their ideas, large companies showing some diversified product lines, and investment-minded individuals."

The purpose of the conference, said a C of C official is to "throw these four separate parts of the business community together as a catalyst in diversifying local industry to counteract Southland dependence upon defense contracts."



MASSACHUSETTS GOVERNOR Foster Furcolo swears in Bernard Solomon, reappointed to a four-year term as State Purchasing Director.

For HOT WEATHER COMFORT ...workers wear the lightest Bureau of Mines Approved Dust Respirator on the Market!

- LOW COST
 - LIGHTWEIGHT
 - COMPACT
 - EASY TO CLEAN
- AO R9100 Respirator

Very comfortable — particularly in hot weather and hot operations. Construction is simple — corrugated felt facepiece provides about 22 sq. inches filter area. Non-reversing, low resistance exhalation valve will not stick, is out of the way and easily replaceable. Unit weighs a slight 2 oz., facepiece is soft with smooth edges. Self-adjusting double headband. Compact design offers unobstructed vision — respirator may be worn with goggles or under helmet. To clean: shake, slap or airhose it.

Protects against pneumoconiosis-producing and nuisance dusts such as borax, carbon, glass, silica, grain, graphite, cement, limestone, gypsum, coke, charcoal, wood, pollen, flour, and aluminum.

NOTE: Companion model (R9100T) protects against toxic dusts not significantly more toxic than lead



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a quote from ETASCO
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 - SPOT WELDING
- done at
a profit
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122 BALLARD ST., SAUGUS, MASSACHUSETTS

—where America's first
successful ironworks is located

Your nearest AO
Safety Products
Representative can
supply you.
Always insist on
AO Trademarked
Safety Products.



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COMPANY
SAFETY PRODUCTS DIVISION
SOUTHBIDGE, MASSACHUSETTS
Safety Service Centers in Principal Cities

Prevent Accidents... Maintain Production with AO SWEATBANDS

They keep sweat out of eyes and off safety lenses. Prevent accidents due to blurred vision and foreign matter from being carried into eyes — thereby reducing eye dispensary cases. Model 109B weighs only ½ oz. — absorbs many times its weight. 1¼" wide. Adjustable head strap. Keep your workers cooler, more efficient and safer.

Be Safe for Sure ... with AO SURE-GUARD Equipment

Oil Firm Hits 'Pay Dirt' With Special Products

Duncan, Okla.—Halliburton Oil Well Cementing Co., has traditionally stuck close to its oil and gas origins. But when products research came up with some new instruments and processes with applications outside the oil industry, company president L. B. Meaders decided to form a Special Products Div.

"We are discovering uses far removed from the oil fields for several instruments, tools, and processes that we originally developed for use with our basic services," said Meaders. Two recent examples, Meaders said are:

• **The Densometer.** Halliburton built this density meter to improve on the old manual method of weighing cement-and-water slurry with a cup, while pumping the mixture down a well. Now, the Densometer turns out to have applications in chemical plants, refining, missile development, large-scale foodstuff processing, and other indus-

tries where fluids must be weighed precisely.

• **The Pneumatic Bulk Handling System.** The original oil-field cementing process required cement in sacks to be cut open and dumped by hand into a mixer before being pumped into the well. Then Halliburton began handling and mixing cement in bulk, first using mechanical conveyor systems and then moving to pneumatic methods. The new pneumatic bulk handling system is now being sold and leased for handling of such varied

products as ore concentrate, sand, barites, and foodstuffs.

"These applications," Meaders declared, "could provide our company with entirely new markets."

Halliburton isn't planning to slow down on its gas and oil field service business, however, to go into a full-scale diversification program, Meaders said. The company, with an annual volume of \$192 million, will merely let the Special Products Div. carry the ball on marketing of new products outside the industry.

Oklahoma City P.A.'s Elect Hood Association President for 1960

Oklahoma City—Members of the Oklahoma City Purchasing Agents Association elected R. J. Hood, Jr., president for the 1959-60 term at their regular meeting this month held here recently.

Succeeds Harville

Hood, director of purchasing and materials, Republic supply Co., succeeds Charles N. Harville, purchasing director for the Oklahoma City public schools,

in the top post. Harville was appointed national director.

Other new officers are: William Lee Carey, Tinker Air Force Base procurement executive, first vice president; William R. Bowman, purchasing agent for Oklahoma Publishing Co., second vice president; Kenneth R. Wiggins, Robberson Steel Co., treasurer; Roy R. Dunn, General Mills, secretary; and Ira M. King, Pan-American Petroleum Corp., alternate national director.

Ryerson Sets Up Steel by Special Delivery Service

Chicago—Ryerson warehouses in seven cities, faced with current steel-buying slowdowns, have set up a new "Steel by Special Delivery" service for customers.

The service, officially called "OTXX" ("Our Truck Extended Service"), has allowed the company's warehouses to extend overnight delivery service "by several hundred miles in some cases."

Extension of ITS

Actually, OTXX is merely an extension of the company's long-established Interplant Transfer System (ITS), by which stocks are shipped from one plant to another on Ryerson's own "shuttle" trucks. ITS worked out so well for the company's internal operations that marketing officials decided to give it a try as a service improver during the current sales slack.

Under the OTXX system, a "transfer" driver picks up the steel order at a Ryerson warehouse and drives the rig to the community in which the steel is to be delivered. A "resident" driver then takes over the truck and delivers the order to the customer.

"Before OTXX became a reality," said a Ryerson official, "material to the distant cities now getting next-day delivery was shipped by common carriers or contract haulers. Deliveries were much slower, often taking as long as three days."

"Complications such as outside trucking schedules, trucks waiting for full loads before leaving for destinations, individual arrangements for each shipment, and load-changing from truck to truck sometimes resulting in damaged steel, were prevalent," he stated.

Now, however, the executive said with pride, if a customer in Minneapolis—400 miles away from here, places an order with Ryerson before 5 P.M., he'll receive shipment on his material "first thing in the morning."



Air Force Announces Reorganization Of Supply and Transportation Set-Up

Oklahoma City — The Air Force announced it will reorganize the supply and transportation set up of its Air Materiel Command here.

The reorganization, under the command of Col. Haynie S. Bastian, head of the Manpower and Organization office, will be worked out in these two phases:

• **Staff office changes.** The first phase, which will take place by Apr. 30, includes merger of

manpower and organization office with plans and programming and the management analysis division.

• **Directorate mission changes.** Under phase two, supply and services will become the directorate of supply and transportation, while logistic support management will be known as the directorate of materiel management. Target date for this phase is Sept. 30.

California Agency Accused of 'Tailoring' Bids

Sacramento—The State Communications Div. came under heavy fire from high-bidding electronics companies recently when they charged that specifications on a radio contract were "tailor-made for Motorola."

The protests of General Electric Co. and Radio Corp. of America were, however, rejected by the State Board of Control.

Both RCA and GE had charged that specifications on the micro-wave mobile radio contract had been so restrictive that it would have been impos-

sible to manufacture the equipment without buying Motorola components. RCA and GE said they make comparable equipment that performs as well as the Motorola radios.

As a result, the companies said, only two bids were submitted, one, a \$163,671 bid from Raytheon, the other from Motorola for \$136,163.

At issue, claimed the big electronics firms, "is more than this one contract." This is so, they pointed out, because in the future the state will ask for additions to

the state micro-wave network.

While Motorola officials denied that the specified equipment was manufactured only by them, GE attorney Bert Levit, a former state director of finance, said restrictive contracts such as this will "destroy competitive bidding and, at least, the spirit of state law."

Preston D. Allen, chief of the state communications division, replied with a denial that the specifications ruled out other companies. He said they were drawn up only so the installation would do "the job demanded."

"I feel that if the board of control has confidence in the people who write specifications, it should support them," chimed in current State Director of Finance, John Carr.

His specialty is collision insurance

And making sure you don't collect on it.

With Thorne Kitchel there's precious little chance. The crash program he puts your containers through assures that the design and construction are adequate for your product before production begins.

Thorne heads up a team of seasoned "security analysts" at Union-Camp's packaging laboratory. In his 15 years as a corrugated box specialist, he has tested thousands of boxes designed to protect all kinds of products. He's also helped save thousands of damage-claim dollars for their owners in the process.

At the Union-Camp packaging proving ground, Thorne and his staff test new shipping containers for their ability to withstand almost any conceivable threat to product safety. Sudden rail-car stops and starts, for example. Punctures from sharp objects. Resistance to extremes of temperature. Accidental falls. Vibration. Or the extent to which a shipping container will protect your products under the crushing pressure of high stacking.

Even the components and materials that go into your box must run the gauntlet before they are used. They are tested

individually—then in relation to each other to determine the combination of properties that will insure maximum safety for your product . . . whatever it may be, wherever it may be shipped.

This comprehensive quality control program is just one part of Union-Camp's complete corrugated service available to all shippers. The service also includes box development and design—both construction and visual. It provides specifications control, art and merchandising counsel as well as a study of your packaging operation and many other features that can help you move and market your products more effectively, more economically. And it doesn't cost a penny extra.

Your Union-Camp man will be glad to give you full information. Case histories are on file that show what we have done for companies like yours. A note on your letterhead will bring a prompt reply.



UNION-CAMP

CORRUGATED BOXES

Union Bag-Camp Paper Corporation 233 Broadway N.Y. 7, N.Y.

Plants: Savannah, Georgia · Trenton, New Jersey · Chicago, Illinois · Lakeland, Florida · Spartanburg, South Carolina · Jamestown, North Carolina
Subsidiaries: Allied Container Corporation, Dedham, Massachusetts
The Eastern Box Company, Baltimore, Maryland.

Oklahoma Drops Its Plan to Buy Bulk Gasoline

Tulsa—The State Board of Affairs has dropped plans to buy bulk gasoline on a contract basis.

The bulk purchase plan had come up for consideration when fuel-buying authority for the highway departments was taken out of the road department's hands. The move came after Tulsa Highway Commissioner Harold Stuart was shown to be a director and stockholder of Skelly Oil Co.

Carl Bates, chairman of the Board of Affairs, gave these reasons for dropping the bulk-purchase plan:

• **Higher costs.** Vendors, said Bates, had figured maximum delivery distances in their bids, thus upping their prices from 1¢ to 1½¢ higher than current prices.

• **Fluctuating prices.** Twenty-five bidders, said Bates, quoted county, rather than state-wide prices. In addition, their quotes were not firm, but rather on a basis of "market price on delivery date. Under these bids," the chairman said, "prices could fluctuate from day to day."

Bates said the board will continue the practice of taking bids for specific amounts of gasoline to be delivered at a specified place.

Vermont Puts New Excise On Automobile Purchases Into Effect; Toll Is 2%

Montpelier, Vt.—A 2% excise tax levied by the State Legislature on new motor vehicle sales went into effect last week.

Vermont residents buying motor vehicles in the state will be required to pay the tax if the vehicle is bought in the state, or if it is bought outside the state for use in Vermont.

Exceptions include vehicles owned or registered by any state or province or subdivision; vehicles owned by the Federal Government; vehicles owned by religious or charitable institutions or volunteer fire companies; non-registered vehicles (other than tow or repair), and vehicles owned and operated by physically handicapped persons.

Foreign Perspective

MARCH 14-20

London—British production, which has reached a new postwar peak, is tending to switch from consumer durables to capital goods.

While consumer goods buying is still going up, the rise of \$44.8 million in January was appreciably less than the \$72.8 million in December.

At the same time, however, U.K. output of machine tools, textile, packaging and food machinery, and such electrical products as transformers, and switchgear was up 6% during the fourth quarter of 1959. (Fourth quarter exports of capital goods also were up 6%.)

While official Treasury industrial indexes indicate the trend has carried over into the new year, officialdom has nevertheless shown some anxiety over the boom, which, it feels may strain Britain's resources and produce inflation.

Milan—The government controlled Italian steel industry is now set to launch the second phase of a modernization-expansion program aimed at making Italian steel competitive in world markets.

With the initial modernization phase now complete, and Italian steel prices "competitive with world market levels," Finsider, as the Italian steel and iron complex is called, has announced it will invest \$700 million over the next five

years in an attempt to double steel and triple cast iron production.

The five-year Finsider plan will raise steel capacity to 7.2 million tons/year, from a current level of 4 million. Cast iron production will be boosted from 1.8 million to 5.5 million ton/year.

In addition to construction of a new \$270 million iron and steel works in Taranto (1 million-ton capacity), Finsider will also expand existing facilities near Naples, Leghorn, and Genoa.

Havana—The climate for foreign investment in Cuba continues to worsen.

Latest victim of Fidel Castro's squeeze on foreign operations is Freeport Nickel Co., which decided last week to shut down its nickel and cobalt mine here because "provisions of the new Cuban mining law make it impossible for the company to obtain funds previously arranged for and needed to complete construction and attain commercial production."

The mine has been operating at full-scale production for only three months. Its closing will affect 900 Cuban workers, unless the Cuban government itself decides to take over operations.

Freeport officials said they would "not reconsider" their decision to cease operations under the new mining law, which levies a 25% tax on minerals shipped, a 5% tax on minerals mined, and a 50% tax on profits.

Quebec—American steel companies may have to do some pretty heavy investing in this iron-rich area or face curtailment of the flow of iron ore to their mills in the U.S.

As unemployment has risen over the past few years, Quebec residents have lent increasing support to local nationalists' outcry that the government "do something" to force American steel interests to process iron and steel locally.

Now an important official voice, that of Mines Minister William Cottingham, has joined in the protest against the flow of unprocessed ore from the world's fourth richest source of supply.

"No one suggests we could consume all of the iron ore we are now producing," says Cottingham. He says however, that his government faces these alternatives:

(1) ban all exports of unprocessed ore and build a giant Canadian steel industry to compete with the one in America, or,

(2) build an industry to meet only the needs of the small Canadian market.

Tokyo—Japanese loyalty to the United States is being sorely tried by pres-

sure from the U.S. commercial front to "stop dumping" and pressure from the diplomatic front to "stop dealing with the Reds."

The island empire's government has yielded temporarily at least to the diplomatic pressure. In a recently-signed three-year trade pact with Moscow, the Japanese refused to boost the trade targets set in the one-year 1959 treaty. In addition, government officials insisted upon an out in case either side fails to live up to the trade goals. It's a treaty without any teeth.

Now that Japan has made it clear how it feels about Russian trade, Tokyo is wondering what America will do to help increase the flow of Japanese goods to the U.S. If present protectionist trends in the U.S. trim Japanese sales in America, however, commercial sources here feel this country will have no choice but to deal with the Communist bloc.

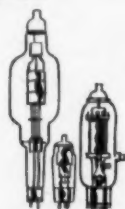
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Sylvania manufactures a wide range of Industrial Tubes produced in the same tradition for reliable products as Gold Brand premium tubes. For prompt delivery of Industrial Tubes—often same-day service—see your Sylvania Industrial Tube Distributor. Large and small power tubes, ignitrons, thyratrons, rectifiers are no further away than your phone.

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Welding and Spring Co.
JEFFERSON 5-2187
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AXMINSTER 4-1623
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The Bristol Brass Corp. of Ohio
FULTON 8185
Toledo
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GREENWOOD 5-8661

PENNSYLVANIA
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R. T. Schaller Co.
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Lafayette Foundry Machine
& Supply Co.
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Brass & Copper Sales, Inc.
GLADSTONE 7-2540
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Federated Metals Canada, Ltd.
MELROSE 7-3581
Scarborough, Ontario
Federated Metals Canada, Ltd.
PLYMOUTH 7-3246

Monthly Trend in Freight*

(% Change from Corresponding
Month of Previous Year)

Railroad Freight Car	
Loadings	+ 4.7
Trucking—Intercity	
Tonnage	+ 8.7
Air Freight & Express—	
Ton Miles	+ 13.4
† Waterways—Foreign	
Trade Ship Clearances +	3.0

* Latest month for Railroads is January; Trucks, December; Airlines, November; Waterways, September.

† Purchasing Week Projection.

Britain Plans Disposal of Stockpiled Metals

London—The British government has added zinc and aluminum to the list of commodities it wants to sell from its stockpiles.

Under an arrangement with the original suppliers, U.K. officials hope to sell off 37,000 tons of aluminum by July, 1964.

One phase of the deal has already been concluded, and the government will sell 10,000 tons of the white metal to Alcan Ltd., successor to Aluminum Union as U.K. distributor of Alcan aluminum.

While the British Board of

Trade refused to reveal the price tag on the government supply, one official admitted Alcan would pay "the going market price at this time."

'Government Insurance'

By selling to the original supplier, however, the spokesman stated, the government has "insured against there being any adverse impact in the market place."

The aluminum sale comes on top of government-announced intentions to strip itself of its en-

tire 53,000 ton zinc stockpile. Here too, industry sources believe, "industrial demand is shaping up briskly this year and the zinc should be absorbed without causing any price disturbance."

Under the zinc disposal deal, the Board of Trade will sell about 3,000 tons of "good ordinary brand" zinc and 2,250 tons of special high grade to original suppliers for delivery this June. Sales of the remainder of the stockpile are slated to be completed within four years it was reported.

Foreign News In Brief

Vauxhall Expands

London — Vauxhall Motors Ltd. has launched a multi-stage expansion program aimed at pushing vehicle sales abroad. The \$168 million program will get underway shortly with construction of a new plant that will boost capacity to 400,000 units/year.

The second stage will involve construction of "a highly integrated commercial vehicle plant" near Hersey'side. Both plants will be limited to truck production. Vauxhall's existing Luton and

Dunstable factories also will be expanded for increased car-making capacity.

Czech Chemical Output

Prague — Czechoslovakia will boost its chemical production by 7% this year, Chemical Industry Minister Jozef Pucik announced recently.

Pucik said the \$11 million production boost would raise total Czech output to over \$114 million in 1960, a 25% increase over 1958, when the current "seven-year-plan" got underway.

Data Processing

London — The British Electronic Forum has set May 24-26 as the date for its coming meeting here on practical application of data processing, machine tool control, and instrumentation.

At the same time, two other trade groups—the Electronics Engineering Assn. and Business Equipment Trades Assn.—announced they would hold their Second Electronic Computer exhibition here Oct. 4-12, 1961. Organizers of the show hope to exceed the 1958 meeting's 40,000 attendance.

Aluminium Ltd. Expands

Calcutta—Aluminium Ltd. will expand its aluminum-making facilities here to the tune of \$17 million this year.

Main target of the Canadian firm's program will be a doubling of its 10,000 tons/year rolling mill in West Bengal and addition of 11,200 tons of primary ingot capacity to its Hirakud smelter.

Australian Lark

Melbourne—Studebaker-Packard Corp. will begin immediate production of its line of compact cars and trucks here.

While initial production will be based on regular shipments of components from the company's South Bend, Ind. headquarters, eventually Lark and other Studebaker vehicles made here will contain mostly Australian-made components.

Big Scoop

Budapest — An unidentified Hungarian company has come up with a new four-wheel, high-speed shovel loader designed to handle as much as 15 cu. ft. in its 10-ft-high scoop. At the same time, claims the Hungarian Chamber of Commerce, the shovel can develop enough speed for highway driving.

The new scoop, which is being marketed internationally through the state foreign trade agency MOGUERT, is designed to limit the use of diggers and full-tracked vehicles to "heaviest work." The lightweight machine is driven by a four-cylinder, 60-hp diesel engine.

Container Plant

Edmonton, Alberta—Western Shipping Containers Ltd. will build a \$500,000 container plant here this spring. The new facility will produce metal drums, pails, and kegs. It will have an annual capacity of 1 million units.



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Before you design or produce a copper base alloy part, investigate the economy and efficiency of Asarco continuous casting. You can order the alloy and shape you need, in the exact lengths you need. Continuous Cast Asarco Bronze alloys meet SAE, ASTM, and government specifications—but they are superior to the same alloys cast other ways, in hardness, yield, tensile and impact strength. In fact, you may be able to substitute an Asarco Bronze for an aluminum or manganese bronze. Write for complete data to Continuous-Cast Department, American Smelting and Refining Company, Barber, N. J. or Whiting, Indiana.

Immediately available from stock: **ASARCON 773 BEARING BRONZE (SAE 660)**—260 sizes of rods and tubes. Complete range of sizes from 1/2" to 9" diameters. Immediately available from stock in 105" lengths. Special shapes produced to order.

Note minimum clean-up necessary between casting of this 6-tooth pump impeller and finished part. (Illustrated parts are 4" in diameter.)

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AMERICAN SMELTING AND REFINING COMPANY

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West Coast Distributor: Kingwell Bros., Ltd., 457 Minna Street, San Francisco, Calif. In Canada, Federated Metals Canada, Ltd., Toronto and Montréal. Distributors in many principal cities.

Here's your weekly guide to . . .



Transcriber

Starts Instantly

Single button starts transistorized disc transcriber without warm up. Unit weighs 5 lb. 10 oz., fits into a desk drawer. Complete system includes dial and foot controls, indicator lights, and single or double ear listening device.

Price \$299.50. Delivery: immediate.

Gray Mfg. Co., 16 Arbor St., Hartford 1, Conn. (PW, 3/14/60)



Epoxy

Patches and Resurfaces

Two-package epoxy compound mixed at job applies with trowel to concrete, wood, metal, or tile surfaces. Applied as thin as 1/8 in., epoxy patches won't shrink. Nonskid, nonsparking surface cures overnight and has greater impact resistance than concrete.

Price: approx. \$9.50 (16 lb.). Delivery: 1 wk.

Toch Bros., Inc., Staten Island, N. Y. (PW, 3/14/60)



Clay

Absorbs Spillage

Mineral clay—spread 1/8-in. thick on wood, metal, or concrete floors—absorbs oils, grease, acids, and chemicals, preventing accidents or flash fires. Saturated clay sweeps off easily and can be reused with soluble oil.

Price: \$40 to \$50 per ton. Delivery: 1 wk.

Canfield Oil Co., 3216-20 E. 55th St., Cleveland 27, Ohio. (PW, 3/14/60)



Intercom

Plugs In

Self-contained intercom plugs into an a-c outlet for immediate use. Press-to-talk switch locks in place for extended conversations. Wireless unit measures 3 in. x 8 in. x 6 in., and can send or receive calls.

Price: \$109 (pair). Delivery: immediate.

Vocaline Co. of America, 105 Bristol Bldg., Old Saybrook, Conn. (PW 3/14/60)



Cooler

Provides Hot Water

Wall-mounted cooler provides enough hot water (180F) to serve sixty 8-oz. coffee cups per hr. All plumbing connections enter cabinet directly from wall. Wall-mounting of 6, 11, and 16-gal. models eliminates dirt-catching corners and crevices.

Price: approx. \$256 to \$276. Delivery: Apr. 1st.

Halsey W. Taylor Co., Warren, Ohio. (PW, 3/14/60)



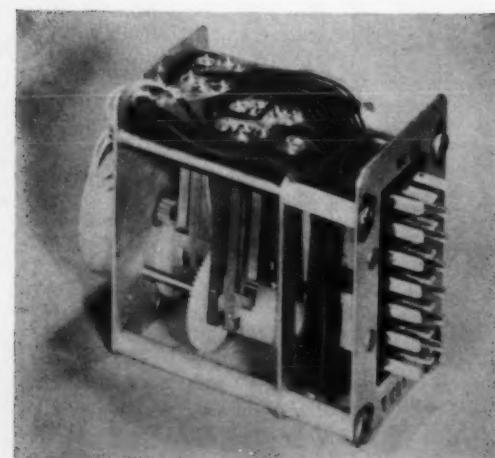
Urethane Foam

Insulates Pipes

Lightweight blocks and half-round urethane foam sections (36-in. long) insulate pipes from -300F to +220F. Rigid, nontoxic material takes most mastics and sealers. Self-extinguishing, it cuts to size with hand tools.

Price: 60¢ to \$5.54 per sq. ft. (1/2 in. to 6 in.-thick). Delivery: immediate.

Union Asbestos & Rubber Co., 1111 W. Perry St., Bloomington, Ill. (PW, 3/14/60)



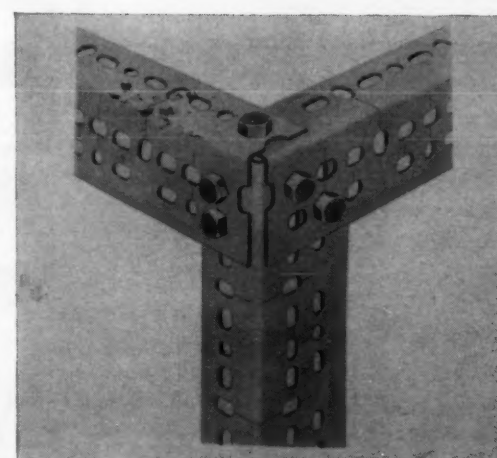
Cycle Timer

Operates Quietly

Clear plastic cover on cycle timer permits visual inspection and reduces noise. Pair of parallel cam shafts provide 2 cycling speeds for switchboard equipment, computers, and machine controls. Voltage, cycle time, and programming adapt to the application.

Price: approx. \$100. (Sample). Delivery: approx. 2-3 wk.

A. W. Haydon Co., 232 N. Elm St., Waterbury, Conn. (PW, 3/14/60)



Slotted Steel

Assembles Quickly

Slotted steel framing for conduit, cables, and ducts bolts together without welding or drilling. Galvanized, corrosion-resistant finish permits immediate installation without painting. Three interchangeable sizes are packaged in 6 ft., 10 ft. or 12-ft. lengths.

Price: \$30 to \$44.20 per 100 ft. Delivery: immediate.

Steel City Electric Co., 1207 Columbus Ave., Pittsburgh 33, Pa. (PW, 3/14/60)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Wood Leg

Attaches in 5 Min.

Tapered hardwood leg (35-in. long) for wood work tables, desks, and counters attaches in less than 5 min. with screwdriver. Round leg is sanded smooth for painting or staining. Brass ferrule and attachment bracket are provided.

Price: \$1.85 each. Delivery: immediate.

Jore & Co., 33-Ten Downing St., Flushing 54, N. Y. (PW, 3/14/60)



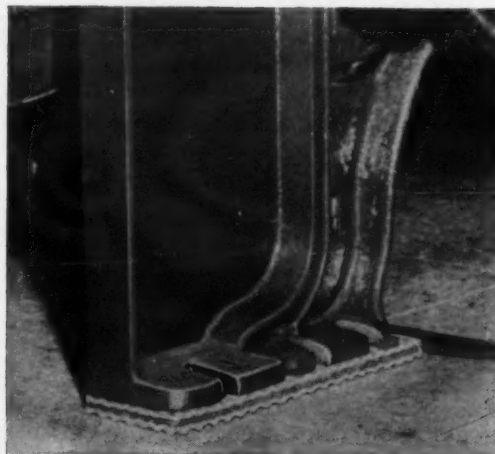
Teletypewriter

Perforates Tape

Teletypewriter prints message on standard 1 1/4-in. punched tape at the same time it punches the holes. Printed-perforated, 5-channel tape system operates without auxiliary equipment at 60 to 75 wpm.

Price: \$1,900. Delivery: immediate.

TELAutograph Corp., 8700 Bellanca Ave., Los Angeles 45, Calif. (PW, 3/14/60)



Mounting Pad

Cuts Vibration

Three-layer, resin-fiber-glass pad (22 in. x 23 in.) eliminates up to 90% of machinery vibration. Vacuum suction cup pattern conforms to rough or uneven floors without lagging or cementing. Synthetic material resists moisture, oils, greases, and detergents.

Price: \$32.50. Delivery: immediate.

Lowell Industries, Inc., Allston Station, Boston 34, Mass. (PW, 3/14/60)



Compressor

Mounts on Trailer

Trailer-borne compressor delivers 15 cfm at 80-lb. pressure required for airless spray painting. Easy-to-haul unit consists of 2-cylinder, single stage pump, 8 1/2-gal. air receiver tank, automatic unloader, and rope-start engine.

Price: \$705 to \$715. Delivery: immediate.

DeVilbiss Co., Toledo, Ohio. (PW, 3/14/60)

This Week's

Product Perspective

MARCH 14-20

• The current roster of synthetic rubbers includes many new names. Both Goodrich-Gulf and Shell expect their new materials to challenge natural rubber's last stronghold—large, heavy-duty tires.

• Goodrich-Gulf Chemicals has announced that commercial production of two new synthetics is right around the corner—Ameripol SN (polyisoprene) first discovered by the company in 1954, and Ameripol CB (dispolybutadiene), a more recent development.

Goodrich-Gulf hopes to have a 25,000 ton annual capacity plant in operation by late '61. Company president, Lucien Crockett states, "Our testing program has demonstrated that Ameripol SN can be substituted pound-for-pound for natural rubber which is presently required in the manufacture of truck, bus, airplane, and off-the-road tires. Ameripol CB is a stronger, tougher rubber at high temperatures than any other general purpose synthetic now available."

• Shell Chemical is starting up a new unit to expand isomylene capacity. The chemical is the prime raw material of Shell's polyisoprene rubber. The new plant is expected to increase the company's synthetic "natural" rubber to about 20,000 tons/yr.

• The emphasis on synthetics is following parallel paths abroad—improved products are nearing commercial production in practically every European country. Goodyear's J. D. D'Ianni reports that some of the most interesting work is being done in France, Italy, and Russia.

A new method for producing "natural" rubber from isobutylene and formaldehyde, now in the pilot plant stage in France, promises to cut raw material and production costs. D'Ianni predicts that a plant using the process to make 40,000 metric tons a year should cost no more than \$13 million.

D'Ianni foresees significant improvements in synthetics via the copolymerization route. Already, he notes, several ethylene copolymers show substantial stress and low-temperature cracking resistance as compared to the homopolymers. One, an ethylene-propylene copolymer now being produced by Montecatini, is claimed to have unusual resistance to heat, oxidation, and abrasion, as well as tensile, elongation and hardness properties comparable to general-purpose rubber (SBR). One drawback: it can't be vulcanized by conventional methods, new curing systems will be needed.

Russia is producing most of the same synthetics now made here but has commercialized two others in addition: polyisoprene and butadiene/methyl styrene copolymers.

• Synthetics have also become active in the price arena. Monsanto recently gave its customers more than a year's notice that the bulk base price of rubber-grade styrene monomer will be cut .8¢ a lb. on July 1, 1961. DuPont also got into the price-cutting game when it reduced the price of Hypalon synthetic rubber 10¢ to 23¢ a lb. (see P.W., Feb. 29, p. 27).

• Meanwhile, the flow of new silicon rubbers continues. General Electric has announced a new low-viscosity RTV (room temperature vulcanizing) silicone rubber. GE claims its new product has "the lowest viscosity ever offered in a silicone rubber."

RTV-11 has a typical viscosity of 120 poises and has excellent temperature, ozone, weathering, and aging properties. It is easy to pour around irregularly shaped objects and especially suited for potting, encapsulating, and impregnating electrical components.

• Silastic RTV 731 is the newest Dow Corning entry in the silicone rubber field. The new general-purpose material is a single-component rubber, requires no catalyst premixing. It is said to have excellent adhesion to most clean surfaces, including metals, glass, silicone, and organic resins.

RTV 731 comes in two and eight oz. collapsible tubes that also serve as dispensers. The material becomes tack-free within an hour, and completely cured in 24 hr. Resilience is retained over continuous service temperature from -70F to 300F.

• In spite of all the fanfare over synthetics, don't be in too much of a hurry to write off natural rubber. Firestone Tire & Rubber recently moved to expand natural rubber as well as synthetic output. The company recently started new rubber plantations in Brazil, Guatemala and, the Philippines and has replanted acreage in Liberia.

• Latest entry in the disposable pallet field: a lightweight paperboard made by Union Bag-Camp Paper Corp. The eight lb. pallets sell for 90¢ each in car-load lots.

Your Guide to New Products

(Continued from page 33)



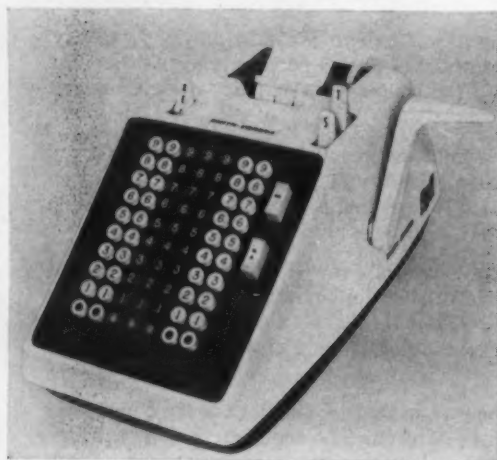
Recording Tape

Won't Dry Out

Magnetic recording tape won't dry out during hot storage. "Tenzar" backing is said to be twice as strong as acetate with 16 times greater tear resistance. Different edge colors facilitate dual track recordings for audio-visual use.

Price: \$2.40 to \$3.75 (600 ft. to 1,200 ft.). Delivery: immediate.

Minnesota Mining & Mfg. Co., 900 Bush Ave., St. Paul 6, Minn. (PW, 3/14/60)



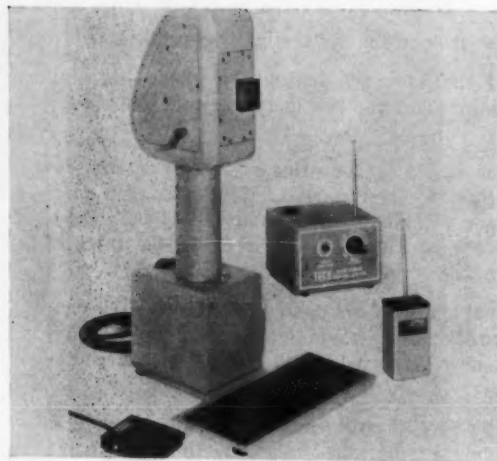
Adding Machine

Subtracts Directly

Direct subtraction machine prints subtraction figures in red while indexing up to 6 columns of figures on paper tape. Plastic key tops, casing, and base pan resist stains and abrasion. Every entry, including first, can be read immediately.

Price: \$109.50. Delivery: immediate.

Smith-Corona Marchant, Inc., Syracuse 1, N. Y. (PW, 3/14/60)



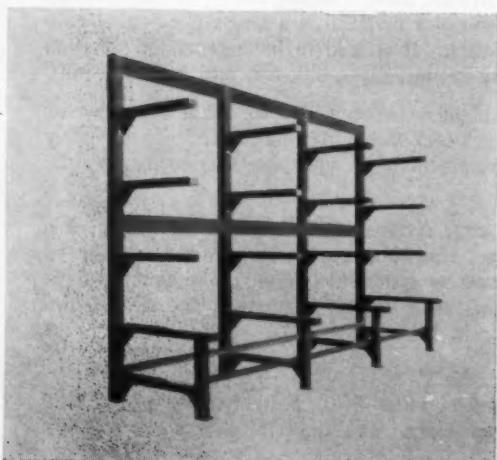
Camera

Photographs Intruders

Camera surveying large plant area photographs night time intruders. Used 16 mm film portion can be developed without affecting remainder of roll. Automatic signal warns end of film is approaching.

Price: \$495. Delivery: 2 wk.

Regiscope Corp. of America, 799 Broadway, N. Y. 3, N. Y. (PW, 3/14/60)



Storage Rack

Gives Maximum Visibility

Horizontal, 5-level rack for lumber and pipe has 1/4 in. and 1/4-in. steel box channel construction for maximum visibility of materials. Basic model measures 12 1/2 ft. x 8 1/2 ft. x 3 1/2 ft. with pierced foot plates for anchoring.

Price: \$268. Delivery: 1-2 wk.

Columbia-Hallowell Div., SPS Co., Box 1096, Jenkintown, Pa. (PW, 3/14/60)



DESIGNER Wallace Brainard (left) and K&T Numerical Control Div. sales manager, John Joerger, inspect latest model of fast-selling Milwaukee-Matic machine tool.

Milwaukee-Matic Sales Hit 1st-Year Target, Says K&T

Milwaukee—Numerical control has taken a big step closer to industry acceptance with the success of Kearney & Trecker Corp.'s Milwaukee-Matic.

The versatile machine tool made its debut in Dec., 1958, and according to Numerical Control Div. sales manager, John R. Joerger, K&T turned out more numerically controlled machine tools last year than any other company in the industry.

Milwaukee-Matic can automatically mill, drill, ream, tap, and bore parts in small quantities in any sequence on several sides of a workpiece on any setup. Normally, this requires the use of several machines and numerous jigs and fixtures.

Tool selection, worktable indexing, spindle positioning, and other functions are controlled by a General Electric punched tape system, programed from engineering drawings without need of a computer. A unique feature is a 30-station rotary tool magazine that allows individual tools to be identified by use of coding rings. A total of 961 different tools can be coded.

First-Year Sales on Target

First-year sales of Milwaukee-Matic were just about on target, says Joerger. K&T took orders for 55 machines, and delivered 30, leaving a backlog of 28 going into 1960. K&T expects to sell 115 machines this year, half of which are already accounted for.

In its first year of selling Milwaukee-Matic, K&T admittedly skimmed the cream off the top. Companies handling military contracts, as expected, were the biggest customers—missile component builders, makers of guidance equipment, servo-controls, fuel metering equipment, and the like. Because of their frequent engineering changes, they found Milwaukee-Matic's flexibility to their liking.

Other primary customers included jet engine makers, machine tool builders, hydraulic valve fabricators, manufacturers of electrical machinery, shoe machinery, and general machinery. In addition, one of the Big Three auto companies purchased a Milwaukee-Matic for test purposes.

This year, K&T is training its sales guns on the general market—the hundreds of job shops making parts in quantities anywhere from 5 to 50. Milwaukee-Matic is not aiming at mass production operations.

"Actually, what we are selling is a whole new philosophy of manufacturing," says Joerger. "We point out that other factors than tooling and labor costs have to be considered in the financial evaluation of Milwaukee-Matic."

K&T lists these added advantages:

(1) Lead time is reduced because it is

not necessary to build a family of jigs and fixtures (2) changeover is accomplished in a few seconds with a pallet shuttle accessory (3) scrap is reduced (4) in-process inventory is practically eliminated, and (5) substantial areas of floor space can be freed for other use.

Does the Work of Four

K&T has a rule of thumb that Milwaukee-Matic will do the work of four or five machines, and make a chip about 60 to 65% of the time (compared with about 12% for the average fabrication machine). Tooling costs generally can be reduced 33% to 90% according to Joerger. In one case, the tooling cost for a jet engine component was cut from \$180,000 to \$18,000, he says.

K&T explains Milwaukee-Matic operations at a workshop held once a month at the Special Machinery Div. plant. Usually, a top manager of an interested firm will be asked to attend for one day, and an equipment engineer for two days.

The workshop is broken down into groups of about four persons each. Piece parts are analyzed, a movie about Milwaukee-Matic is shown, and questions are answered. K&T put some 700 person through the workshop in the first year.

K&T's aim is to get Milwaukee-Matic on the top priority list for a company's capital expenditures. Costing \$145,000 installed, it is far more expensive than a standard machine. Often, K&T will be able to prove a four-year cost justification, but tries to work it down to two or three. "If, after taxes, they can pay off the Milwaukee-Matic in three years, it's an excellent investment," says Joerger. Normal payoff for a machine tool is six to eight years, although Detroit auto makers usually require one year amortization on transfer lines or special machines.

To get a machine into production at the plant—installation and prove-out tooling—usually takes about six weeks. In 1956, K&T thought it was doing well to get a tape machine into regular production in three months.

K&T has found that it can pretty well lick the production problem in its own shop—integrating micro-switches, pressure switches, and valves—through careful assembly procedures. At the same time K&T's purchasing department had to crack down on quality control to a greater degree than ever before.

As a result of these efforts, downtime on Milwaukee-Matics average around 10%, and K&T strives to keep it lower. If you figure the Milwaukee-Matic replaces five standard machines, the downtime figure can translate out to around 2%, says Joerger.

NEW!



STAINLESS STEEL GAGE BLOCKS ...better in every way!

Stainless steel gage blocks are another DoALL first—created and perfected after 20 years of research for the ideal gage block material. They have been tested and approved by leading gage block users. Now they're ready for use in your laboratory or shop.

Check these 8 money-saving advantages:

- ✓ **STABILITY**—No growth or shrinkage of over .000002 in. per in. of length.
- ✓ **HARDNESS**—Over 68 Rockwell C any place on block surface.
- ✓ **WEAR**—More than three times the life of ordinary steel gage blocks.
- ✓ **CORROSION RESISTANCE**—Four to five times greater than regular steel blocks.
- ✓ **SURFACE FINISH**—Better than can be measured with a surface analyzer—.09 microinch AA.
- ✓ **WRINGABILITY**—Stainless steel gage blocks wring better than ordinary steel gage blocks.
- ✓ **COEFFICIENT OF EXPANSION**—Stainless steel gage blocks are in the range of most engineering materials.
- ✓ **BRINELLING**—Repeated spindle impacts do not Brinell the DoALL stainless steel blocks.

—plus these important bonus items:

With each set of DoALL stainless steel gage blocks you get these extra values at no charge:

1. a certificate of inspection covering each block in the set;
2. a complete kit for the care of gage blocks;
3. a compact, pocket-size plastic case;
4. educational booklets that explain how to make your set of gage blocks most useful and how to keep them in usable condition.

DoALL stainless steel gage blocks are available in standard sets of 38, 81, 84, 85, 86 and 88 pieces. Blocks are made in all decimal sizes from .050 in. to 4.000 in. and in fractional sizes from $\frac{1}{16}$ in. to $\frac{1}{4}$ in. Accuracies for AA blocks: plus .000002 in., minus .000002 in. Accuracies for A + blocks: plus .000004 in., minus .000002 in.

Call your local DoALL store today. Ask your DoALL Gage Specialist to demonstrate the new stainless steel gage blocks—without obligation.

GB-35



THIS IS A
TYPICAL DoALL STORE

The **DoALL** Company, Des Plaines, Illinois



Call Your DoALL Service-Store



Machines and Blades



Surface Grinders



Power Saws



DoALL SAW BANDS



MEASURING INSTRUMENTS



SHOP SUPPLIES IN STOCK

MACHINE TOOLS CUTTING TOOLS MEASURING INSTRUMENTS SHOP SUPPLIES IN STOCK

Your Guide to New Products

(Continued from page 34)



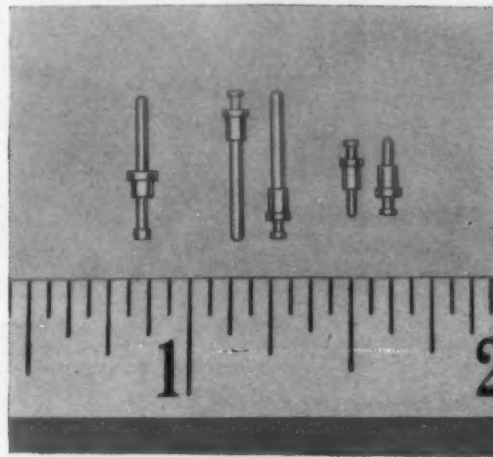
Water Cooler

For Small Offices

Water cooler based on absorption method of electric refrigeration delivers ½ gal. of water (50F) per hr. for 5 people. Lightweight (35 lb.) cooler has no moving parts and occupies less than 1 sq. ft. of floor space.

Price: \$59.95. Delivery: immediate.

Arrowhead & Puritas Waters, Inc., 1566 E. Washington Blvd., Los Angeles 21, Calif. (PW, 3/14/60)



Terminals

Fit Miniature Sockets

Brass terminals (0.040 in. and 0.032 in. dia.) fit into 7 or 9-pin miniature sockets of plugin components. Available in up to 6 mounting shank lengths, terminals have silver plate finish and lacquer coating.

Price: \$1.46 to \$2.03 (pkg 100). Delivery: immediate.

Cambridge Thermionic Corp., 445 Concord Ave., Cambridge 38, Mass. (PW, 3/14/60)



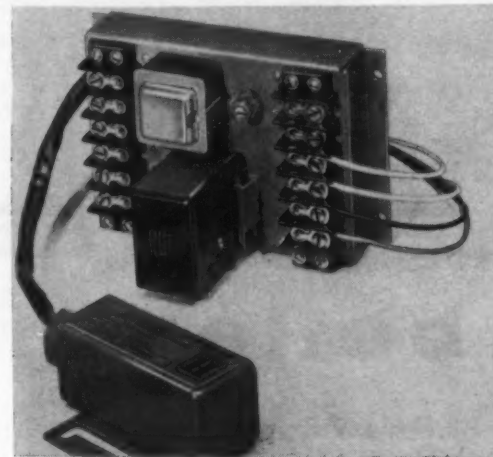
Power Source

Fail-Safe Operation

D-C power supply provides sustained voltage for signal and communication circuits when a-c power is interrupted. Lightweight 18-oz. device replaces primary-type, dry cell batteries. It operates unattended for 5 yr. producing 1.2 to 6v.

Price: \$6 to \$50. Delivery: 60 days.

American-Monarch Corp., 2801-37th Ave. N. E., Minneapolis 18, Minn. (PW, 3/14/60)



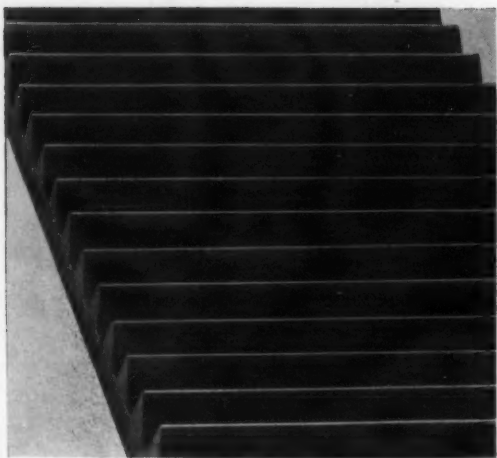
Proximity Switch

Senses Without Contact

Magnetic materials passing within ¼ in. to ½ in. of switch are detected without physical contact. Sealed enclosure permits use as limit, interlock, counter, or indicator sensor in areas of extreme vibration, dirt, or sludge.

Price: \$98. Delivery: immediate.

Micro Switch Div., Minneapolis-Honeywell Regulator Co., Freeport, Ill. (PW, 3/14/60)



Conveyor Belt

Goes Up Inclines

Ridged conveyor belt carries smooth, rough, or slippery objects up 45 deg. incline without sliding. Wear-resistant top consists of self-cleaning, inverted ridges. Available in sizes up to 48-in. wide, 500-ft. long rolls.

Price: \$2 to \$11 per ft. Delivery: immediate.

Boston Woven Hose & Rubber Co., Box 1071, Boston 3, Mass. (PW, 3/14/60)



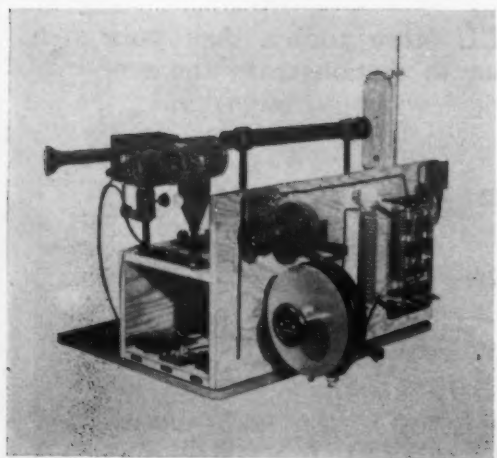
Plastic Brush

Resists Oils and Acids

Polypropylene floor brush for heavy-duty sweeping of rough surfaces resists oil, grease, alkalis, and acids. Available in 14 in. to 24-in. sizes, brush has 4-in. tuft, lightweight steel back and adjustable, reversible handle.

Price: \$5.18 to \$7.35. Delivery: immediate.

Milwaukee Dustless Brush Co., 530 N. 22nd St., Milwaukee 3, Wis. (PW, 3/14/60)



Calibrator

Handles All Pyrometers

Wide-filament, strip-type, optical pyrometers use step and vernier rheostats to adjust to any temperature from 1,400F to 4,200F. Unit permits accurate and simultaneous calibration of any 2 optical pyrometers in the field.

Price: \$625. Delivery: 2 wk.

Pyrometer Instruments Co., Inc., Bergenfield, N. J. (PW, 3/14/60)

Purchasing Week Definition

Wire And Cable (Part II)

• **Bus Bar**—Rectangular cross-sections of metal rated for above 50 amp. serve as connections between terminals. Preformed to fit the application, they can be bare, tinned, or insulated.

• **Armored Cable**—Outer braid of metal or spiral steel tapes cover cable for mechanical protection. Unless the conductors are lead-covered, resistance to penetration of moisture is poor.

• **Conduit**—Interconnection wires are enclosed in galvanized steel troughs or tubes in locations where damage is likely.

• **Solid Conductor**—One wire conductor (sizes #18 through #6) used where flexibility is not necessary.

• **Stranded Conductor**—Specific number of wires twisted together to form a conductor. Stranded wires are preferred for small equipment or awkward locations where considerable flexing is necessary during installation.

• **Rope**—Multiple groups of wire shaped in geometric arrangement. Example: 7 x 19 rope has 19 wires laid into a group and 7 groups laid into a conductor. (PW, 3/14/60)

Floor Crane Handles Up to 5,000 Lb.; Boom Moves in 4 Directions

Chicago—Colson Corp. has introduced a mobile floor crane, called Herculift, that is designed to cut down on manpower and to speed production.

The crane is completely counterbalanced and has an adjustable boom with hook that can reach 6 ft. beyond the front edge of the unit.

The unit's power lift boom can move in four directions and handle loads up to 5,000 lb. The power-actuated boom can be lowered to 1½ ft. and raised to 9 ft. The crane can be driven manually or by a "Dyna-Drive" power unit. Speed is 2½ mph.

Easy Conversion

The "Dyna-Drive" power unit was designed by Colson to provide a quick and easy way to convert hand-propelled equipment to power operation. It can be fitted to existing lift or platform trucks, floor cranes, or other mobile equipment.

Product Briefs

X-ray gage measures thickness of aluminum foil being rolled and feeds signal to automatic control when thickness deviates from desired setting. Control varies roll speed and strip tension to maintain uniform thickness of double foil aluminum (0.00035-in. thickness each) to within 1½%. *Westinghouse Electric Corp., Box 2278, Pittsburgh 30, Pa.*

Automatic winch equipped with power-operated controls installs on crawler and wheeled tractors of up to 40 hp. Sealed friction clutch permits safe one-man operation. If load stalls engine, clutch returns to neutral and brake applies automatically. *Pacific Car & Foundry Co., Renton, Wash.*

Fume hood for air conditioned laboratories utilizes baffle arrangement to remove noxious gases and odors. *Duralab Equipment Corp., 992 Linwood St., Brooklyn, N. Y.*

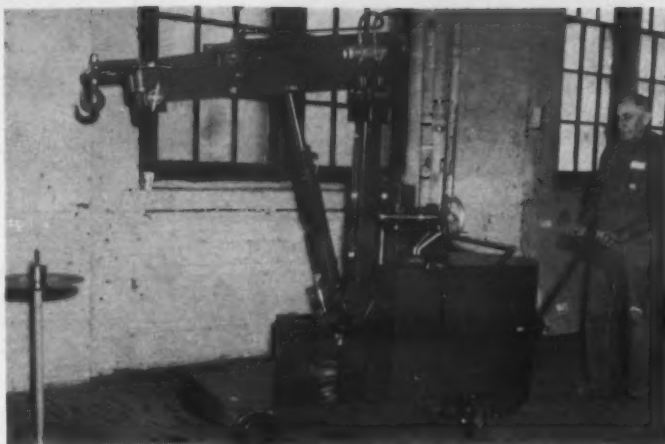
Ultra-high purity solvents remove water, grease, and grit without leaving contaminants behind. Acetone, trichloro-ethylene, and methanol alcohol grades are used in processing of electronic parts. *Fisher Scientific Co., 389 Fisher Bldg., Pittsburgh 19, Pa.*

Plug-in unit for open-back inclinable presses feeds parts into dies at rate of 40 to 60 per min. Mounted on press side, air-powered unit utilizes vacuum-lift, electromagnetic, or gripper fingers for part pick-up. Interlock system assures safe cycling of press and feeder. *Press Automation Systems, Inc., 25418 Ryan Road, Warren, Mich.*

Index machine mills, drills, chamfers, and reams up to 85 malleable iron parts per hr. Cross-feed heads at three work stations operate hydraulically and are mounted on welded steel base. Pushbutton-operated index table carries parts through machining sequence. *Snyder Corp., 3400 E. Lafayette, Detroit 7, Mich.*

The wheel of the mechanism, designed to carry only the weight of the propulsion unit itself, rides up and down freely, automatically compensating for floor irregularities and maintaining constant traction between wheel and surface. Three push buttons in the drive handle provide finger-tip control of forward and backward acceleration and braking.

The unit is available in either 3,000 lb. or 8,000 lb. capacities. Prices start at \$3,000.



MOBILE CRANE can accurately position loads up to 5,000 lb.

Fiberglass Diesel Fuel Tanks Save 180 Lb. On A Double Installation

Cleveland—Fiberglass diesel fuel tanks can save a trucker up to 180 lb. on a typical dual tank installation. Manufactured by the Reinforced Plastics Div., White Sewing Machine Co., the tanks also exhibit good corrosion resistance, low maintenance needs, high resilience, and absence of in-tank condensation.

The tanks are available in models from 40 gal. to 100 gal., in either 20% in. or 23 in. dia. Walls are 0.21 in. thick.

Practically RUNS Itself!

Your offset duplicator gives really fast production with ATLANTIC OFFSET. No wonder! Uniform surface, balanced moisture content and even bulk provide trouble-free feeding and superb ink receptivity. For extra attention, use Suede Finish ATLANTIC PASTEL OFFSET in one of six handsome colors. For unusual brilliance and minimum show-through, specify the all-new brightest-white ATLANTIC OPAQUE. All three grades are available in standard office sizes. Ask your Eastern Franchised Merchant for samples. Or write us direct.

EXCLUSIVE E-Z START REAM OPENER
Just pull the tab to open. No more broken nails and frayed nerves. Saves time and temper too.

you're always right with
ATLANTIC OFFSET

EASTERN FINE PAPER AND PULP DIVISION - STANDARD PACKAGING CORPORATION - BANGOR, MAINE

Classification prefix, significance can only be determined by reference to the class code which identified a specific three-digit combination as a particular family of parts. Similar classes of parts are grouped for convenience. All types of fasteners are classified by codes 100 through 139.

FOR EXAMPLE:

101 - Screws and Bolts
105 - Nuts
121 - Rivets
125 - Pins
130 - Retaining Rings

The first digit of Prefix:

When 0 (Codes 001 through 099) identifies top (final) assembly or non-part document e.g., specifications, instructions, schematics, etc.

When 9 (Codes 900 through 999) identifies raw or bulk materials.

Sequentially assigned basic numbers unique for each item completely non-significant except;

The first digit of basic number indicates the originating Division for fabricated parts. A part originating at Division Number 1 will be numbered between 000100 and 199,999. Division No. 2 - 200,000 and 299,999. Division No. 3 - 300,000 and 399,999 - Etc. Basic numbers between 800,000 and 899,999 are used for Commercial Parts only.

CODE

This is Beckman's new system for spelling out the details of any of a number of purchased parts used in its five divisions. Due to difficulties of administration, and due to danger of over-coding, numbers don't show size, material, or finish by extra digits on the code number.

In the New Language of Beckman Instruments,

Los Angeles—Five plants—five different systems of numbering parts. Result: Confusion. That, in a nutshell, was what Beckman Instruments Corp. was up against.

Beckman, maker of scientific instruments and electronic equipment and components, had grown up fast—from a one-product, one-plant firm to a multi-product corporation with five plants, all located in California.

Rapid growth brought problems all too familiar to the P.A. who has been in a similar situation: Paying 100¢ on the dollar for a part at the same time another division of your company is selling off the same part for 10¢ on the dollar is, perhaps, the classic sign of a procurement operation that's growing so fast the left hand doesn't know what the right hand is doing.

As Harlan Eastman, corporate purchasing administrator at Beckman puts it: "It is extremely difficult to maintain control of purchases of common items in a multi-plant operation unless everyone is talking the same language."

At Beckman now this "same language" is the parts numbering system (see code and card, above).

Under the reorganized setup, the new corporate purchasing staff decided that its first task would be to devise a system that would eliminate duplicated inventories and unnecessary buying resulting from lack of parts exchange between divisions. Additionally, it was felt that practically every company department would benefit from such a "common language" control when buying, paying for, storing, and using materials.

Five-Step Plan

The purchasing staff in charge of the job didn't attempt to do it alone. Work-

ing closely with men from other departments, they outlined this five step-plan for tackling the job:

(1) List the objectives and requirements of an effective parts numbering system.

(2) Study all the part numbering systems used by the various divisions to determine if any could be taken over at the corporate level.

(3) Study standard parts numbering systems used by other companies.

(4) Make extensive cost analysis to determine cost of changing to new part numbers and the potential returns. (This analysis showed that after one full year of operation, tangible returns through combined purchasing alone would equal or exceed 80% of system installation cost.

(5) Select the system that best meets the stated objectives after consulting all departments concerned.

Under the numbering system proposed to management—and finally adopted—a part number is composed of a total of nine digits separated by a dash into groups of three and six digits. The three digit part, designated the classification prefix, provides a clue to the function of an individual part. The last six digits are called the basic part number, and they are completely non-significant and unique for each part.

"There were many reasons, both valid and emotional, for selecting this particular numbering system," says a Beckman staff spokesman. "For one thing, it was possible to convert the former part numbers of the largest division to the new system in such a way that a readily apparent cross reference was built into the new number."

The fact that the last six digits are unique also is an advantage of this system. Certain departments or groups—account-

ing, for example—can establish their records on only the six-digit basic number and be assured any given six digits identify only one part. This uniqueness also makes it possible to assign to each of the divisions blocks of the basic numbers to be used in numbering of fabricated parts peculiar to that particular division. Thus a central number-assignment group need only concern itself with commercial parts where the possibility of duplication is great.

The corporate parts numbering system at Beckman now covers some 60,000 parts. Complete conversion to the new system by all divisions—excluding components manufacturing—took about 15 months. (The components division was left out mainly because its purchases are concentrated in raw materials rather than in hardware or components.)

How Purchasing Uses System

Part numbering has enabled Beckman's Corporate Standards Section to furnish Eastman and his staff summary sheets showing total corporation use of all parts and their individually-assigned dollar volumes. Reviewing this summary, purchasing looks for parts, (a) used by more than one division, and (b) having significant dollar volume. Then purchasing approaches suppliers on these part or components to contract for entire annual needs based on maximum discounts. In writing such contracts, purchasing tries to arrange that individual divisions can buy against the contract in accordance with their regular purchasing procedures.

At the time of awarding a contract purchasing also designates the major using division as the inventory center. Other divisions purchase their requirements from the major user through inter-division purchasing procedures. This permits larger, more economical indi-

vidual shipments from vendors, and also minimizes handling and transfers between divisions.

Parts placed under corporate purchasing controls are indicated in the index of a Commercial Parts Manual with an asterisk. Thus when a division buyer receives a requisition for a part his first step is to turn to the manual to find the description and approved sources. When an item is asterisked in the index it means the part is under corporate purchasing control and a staff-provided Buyer's Guide must be referred to for the proper purchasing procedure.

Beckman Cites Savings

Beckman cites many areas where savings were made as a result of the standardization imposed by the new system. One example:

A review of the hook-up wire section of the commercial parts manual indicated that the divisions were using more than 850 different kinds of hook-up wire. These wires were all single conductor PVC or teflon insulated, ranging in size from 28 to 14 gage.

Once the great variety of types was known, a hard look was taken at the applications of the wires. Many of the applications varied in such a minor way that it was found that one wire could often serve where many had previously been needed. Order quantities for specific wires had ranged from 300 ft. to over 100,000 ft. And hook-up wire is an item with big jumps in quantity discount differences.

Beckman's total annual purchases of this wire totals about \$50,000 by cutting wire varieties by 80%, Beckman expects a savings of about 10% in wire purchases. To put the new standard into effect, Beckman estimates, will cost a mere \$1,000.

601-022931			RESISTOR, FIXED						601-2		
PART NO.			NAME			STD. NO.			PUR. CODE		
S.P.I.D.			DESCRIPTION								
PAST 12 MO	NEXT 12 MO	COST	200 ohm - 5% - 1/2 Watt - Composition								
0	0		GF per MIL-R-11 Insulated								
SYSTEMS			.140 Dia. X .375 Lg.								
1-5856			Axial Lead .033 Dia. x 1.50 Lg. Tinned								
PAST 12 MO	NEXT 12 MO	COST	Copper Wire								
240	240	.05									
BERKELEY											
01-5856											
PAST 12 MO	NEXT 12 MO	COST	MANUFACTURER								
0	0	.037	Allen-Bradley EB2015								
SPINCO											
SE 332A 143											
PAST 12 MO	NEXT 12 MO	COST									
HELIPOD											
PAST 12 MO	NEXT 12 MO	COST									

U. P. 2318

CARD

Typical method of filing information encoded from master code (left) is this standard-size electronic data processing card. For instance, this card shows that fixed resistor 601-022931 is mainly used by Systems Div., and is purchased at an average cost of 50¢ per resistor.

A Purchased Part Has Only One Life—Not Five

A Good Numbering System Should Be . . .

... COMPLETE, WITH INDIVIDUAL IDENTIFICATION. The primary function of a part number is to provide a complete and individual identification for each part, component, sub-assembly, assembly, and complete end item.

EASY TO HANDLE. The part number should be easy to handle in parts lists, publications, correspondence, records, etc.

ADAPTABLE TO ACCOUNTING MACHINES. The part number must be readily handled by accounting

machines—both electronic and nonelectronic.

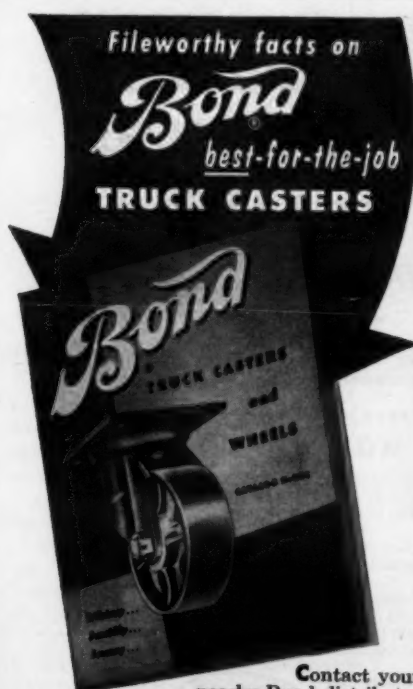
SIMPLE TO MANAGE. The system should make it possible to establish minimum controls on administration and assignment of part numbers.

CONSISTENT. System should be set up so that it's not necessary to change numbers whenever there are changes in part's use, end item, cost, method of procurement, method of manufacturer.

VERSATILE. If possible, the number should provide some degree of classification for analytical and reference purposes.

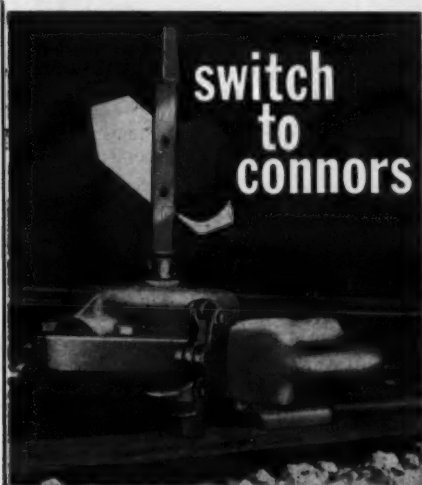
all possible, the number should be such that conversion from existing numbers could be accomplished simply.

EASY TO CONVERT. Finally, if at



Contact your nearby Bond distributor or write the plant for your free copy of Bond Catalog K-40C—68 pages of important facts on Bond material handling equipment!

Bond FOUNDRY & MACHINE COMPANY
322 Penn Street, MANHEIM, PENNSYLVANIA



For a complete line of light rail, trackwork and trackwork accessories call on Connors. Whatever your needs, Connors engineering staff can assist you in replacement or new track installations. Our one plant production allows shipment in mixed carloads. For more information or catalog, write West Virginia Works, P. O. Box 118, Huntington, West Va.

CONNORS STEEL DIVISION

PORTER

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How to Write a Better Catalog—Ask the Purchasing Man



SPS BRINGS PURCHASING INTO THE SALES PICTURE: Jonathan Trout, Art Director, Haven Babb, Advertising Manager, John Moorehouse, Director of Purchases, and Joe Hattersly, District Sales Manager, join forces to put out a new sales catalog of Standard Pressed Steel products.

RITCO FORGINGS



...their accuracy alone
merits your
design consideration!

Close-tolerance accuracy which eliminates the need for costly machining is, in itself, a sound reason for specifying Ritco Forgings. A flawlessly smooth surface which helps speed product assembly is still another. Combine these advantages with a forged-in toughness which assures maximum impact resistance and fatigue strength at points of greatest shock and stress and it's easy to see why more and more design engineers write Ritco into their plans. All things considered, it will pay you to learn more about Ritco "Bright Finish" Forgings now. Send us your blueprints for estimates at no obligation.



Ritco also offers complete machining facilities and makes Special Fasteners and Upsets of ferrous and non-ferrous metals. What are your requirements?

RHODE ISLAND TOOL COMPANY
Member Drop Forging Association
158 WEST RIVER STREET • PROVIDENCE 1, R. I.

"I'll tell you what I want: the facts."

That's the way P.A. John M. Moorehouse told Leonard Clark, manager of marketing at Standard Pressed Steel Company, Jenkintown, Pa., what he looks for in a sales catalog.

Clark was dissatisfied with the sales catalog used by SPS's Unbrako Socket Screw Division. "We were tired of having the second best catalog in the field," said Clark.

The SPS marketing department decided to develop a new catalog that would fit the needs of the man who buys the product. Of course, SPS engineering and advertising departments would contribute data and format ideas to the new catalog, as at most companies. But at SPS, purchasing makes a broader contribution to corporate success.

Jack Moorehouse, as P.A., was called in to tell what he would like to see in an industrial catalog.

Early in the planning stages Moorehouse was asked by the marketing and advertising departments what would be the biggest help to him as a buyer. Moorehouse told them, "If Sales would consider those who use the catalog, it would be a lot more help. Most industrial catalogs are too elaborate."

"They include a lot of technical information that doesn't pertain to ordering. You have to look in fifteen different places to find what you want."

Moorehouse pointed out that the technical data was necessary for engineers and production people to design what they were going to make. But once the time came to buy the parts components, or fasteners, the P. A. had to wade through lots of graphs, charts and formulas.

The Moorehouse idea: Put the ordering information and part numbers in a separate, easy-reference section. Follow up with the technical details, but have these, too, arranged for easy reference by the purchaser.

That made good sense to Clark and Haven Babb, SPS advertising manager. Regular monthly meetings were held with advertising, sales, engineering and purchasing representatives so the writing and format of the catalog could be thrashed out. Moorehouse was there to give the purchasing angle to the way ordering information should be presented.

Babb said that the SPS sales force was alerted to check with their customers' P.A.'s to get more ideas. When the salesmen checked into the home office, they gave a report of their questioning. These points helped with the catalog, too.

Because of this close purchasing-marketing cooperation, the 82-page catalog should be a "best seller". As Moorehouse suggested, the ordering information is up front. The P.A. can get all the information he needs to buy a particular size of alloy or stainless Unbrako socket screws (in regular or self-locking styles) by just glancing at one page of the catalog.

A handy note at one side tells the number of screws per box and the shipping weight. The separate price list that accompanies the catalog is in the same

format, so it's easy to go from catalog to purchase order without a lot of page-turning.

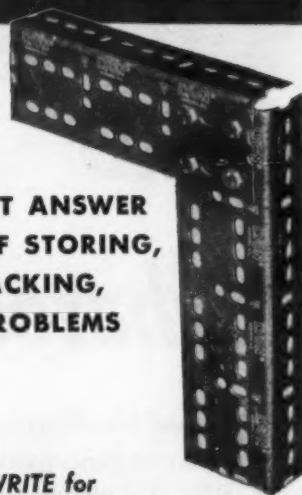
The new SPS catalog is set up so engineers can use it for ready reference. There are tables and graphs showing physical and mechanical properties of the fasteners and fatigue strength curves. And there's a section entitled "True Cost of a Screw." Clark points out that "We designed this catalog so it could be a tool in value analysis."

The text explains that "cost

of a screw is the price you pay for it, plus the cost of drilling and tapping a hole, plus the cost of inserting the screw in the hole". From this, the P.A. can see that a couple of specialized screws can do the job of twice as many standard fasteners. The saving is in screws plus machining.

SPS experience in breaking down the wall between purchasing and marketing demonstrates that good communication can help company profits.

LYON SLOTTED ANGLE



THE LOW COST ANSWER
TO SCORES OF STORING,
RACKING, STACKING,
MOUNTING PROBLEMS



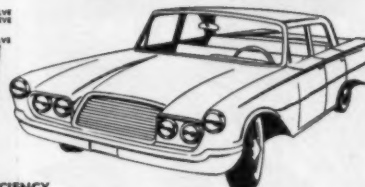
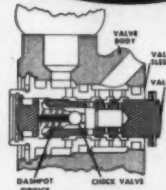
WRITE for
Slotted Angle
Catalog No. 180

LYON METAL PRODUCTS, INC.

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INJECTION MOLDED O-RINGS



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Minnesota Rubber injection molded O-rings always perform more efficiently and have a longer service life than ordinary O-rings because they do not have any variations in cross-sectional thickness.

In addition, the higher, more uniform density of rubber makes them highly resistant to chemicals and wear due to abrasion.

MR O-rings can be furnished out of the economical, yet durable industrial standard compound 366Y, or if your application requires it, Minnesota Rubber engineers will come up with a customized compound that exactly fits your needs.

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MINNEAPOLIS 16, MINNESOTA

New York Psychologist Says P.A.'s Talk Too Much

Akron—More than 200 purchasing agents braved 12-degree weather and a foot of snow to hear themselves praised, criticized, and analyzed at the Purchasing Agents Association of Akron's 5th Annual Purchasing Conference, March 5.

Speakers representing sales and management—plus a psychologist who described the P.A. as others see him—sparked the “no-punches-pulled” meeting held at the University of Akron.

A purchasing man, no less than a salesman, should know what his company is doing and why, and what policies guide it on its way, stressed Marcus Aurelius, administrative vice president, Commercial Section, U. S. Steel Corp.

Must Know Product

A purchasing agent must have an intimate, up-to-date knowledge of the product he is buying, the steel company executive said. He held that this implies “some knowledge of substitute materials which may be at the time or in the future considered by the purchaser's organization.”

You don't “blow your horns loud or long enough” he told the group, stressing that more money can be saved by a company's purchasing department “than any other group in the organization.”

Purchasing agents heard a more critical view from Frank D. Robinson, vice president and treasurer of Diebold, Inc., Canton Ohio. “Unlike other areas of business, it is generally not practical to set a yardstick of performance against which to measure the purchasing function,” Robinson insisted.

As a group, he said, purchas-

ing agents outside of the department store field “are guilty of either sloppy thinking or not thinking at all about the substantial volume of business awarded on the basis of loyalty.”

There is a place for loyalty in supplier-purchaser relationships but, Robinson insisted, it should be used “conscientiously and not by sheer habit.”

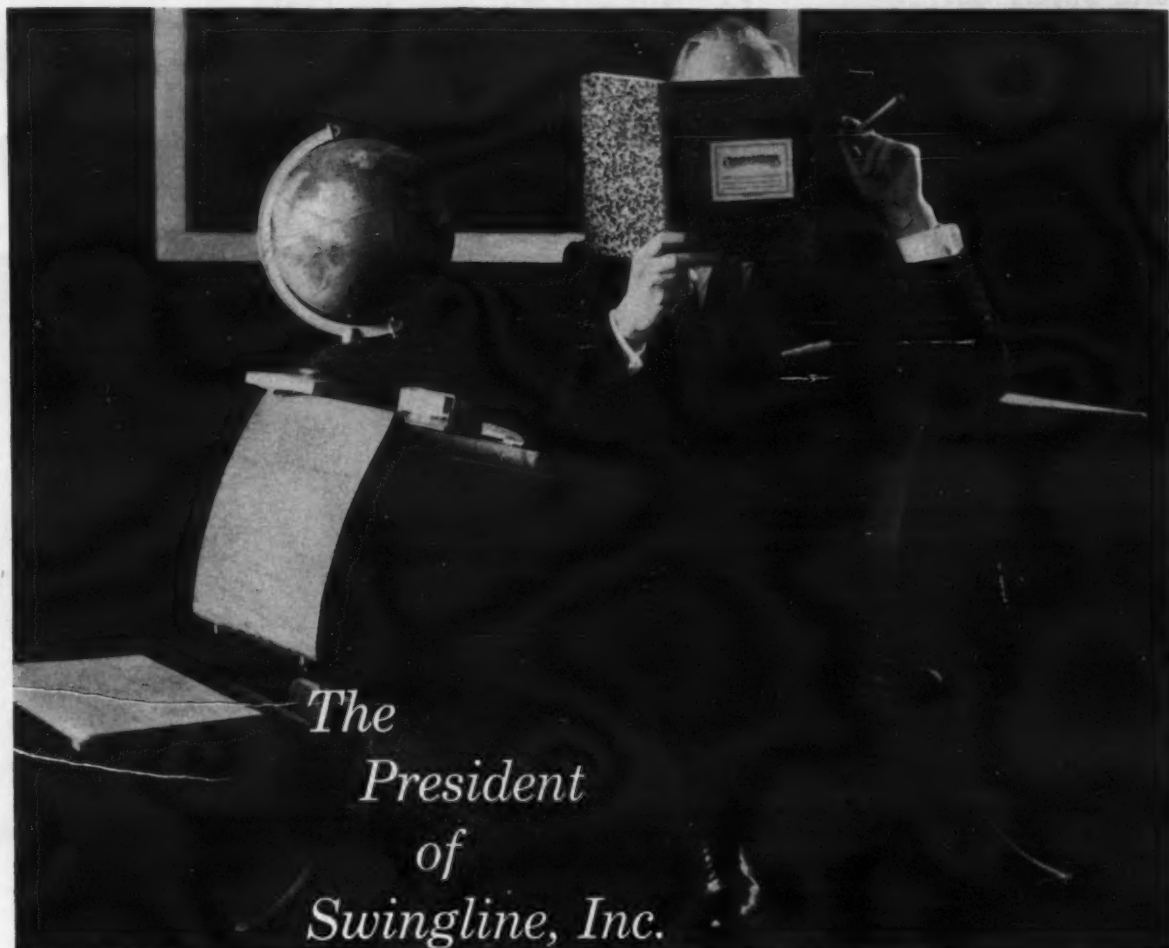
Top management people feel purchasing agents are guilty of “fuzzy thinking” in getting quotations and delivery cost. “If you are a real buyer, it is your duty

to know the market well enough to be able to know a good price and to ask for the same without fear of paying too much,” Robinson declared.

With a light touch of humor, Dr. Charles Roth, New York industrial psychologist, described how a P.A. looks from his vantage point. “The purchasing agent is sensitive about his status, doesn't like to be excluded, talks too much, is aggressive, has good analytical skills, but is usually weak in personnel relations,” Roth said.



TAKING A BREAK at the Akron conference are, l-r, W. P. Bray, pres. of Akron Assn., C. Warner McVicar, Sixth District vp, C. E. Warner, general conference chairman, and L. M. Pettit, vp of the Akron group.



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E. Tennessee Association Will Hear Discussion of Performance Evaluation

Knoxville, Tenn.—“Purchasing Performance Evaluation” is only one of seven subjects that will be aired at the Purchasing Agents Association of East Tennessee's Purchasing Seminar, March 25-26.

The two-day session, being held in conjunction with the University of Tennessee's College of Business Administration, will take place at University Center, on the campus.

Program highlights include two panel discussions on “Purchasing Ethics” and “The Role of the Industrial Distributor.”

“Changes and Challenges of the Purchasing Profession” will be covered by Dr. Neal Bowman, National Association of Manufacturers. David S. Gibson, vice president, purchases, Worthington Corp., Harrison, N. J., will discuss “Purchasing Performance Evaluation.”

Also on the agenda are talks on “Value Analysis,” by J. K. Fowlkes, president, Value Analysis, Inc., Schenectady, N. Y. and “Current Economic Outlook” by Robert S. Hutchison, associate director, Bureau of Business Research, University of Tennessee. H. T. Lewis, professor, Graduate School of Business Administration, Harvard University, Cambridge, Mass., will speak on “The Materials Management Concept.”

No Profit In Rebuffing Salesmen

Toledo—It's neither polite nor profitable for purchasing agents to refuse to see out-of-town salesmen. The salesman is the life-line between purchasing and industry in general and should be regarded as such.

This was the conclusion reached by members of the Toledo Purchasing Agents Association last month in a clinic discussion on buyer-seller relationships. R. M. Wiskochil, purchasing agent for Owens-Illinois Glass Co., led off on the problem of sales calls.

"We should practice the Golden Rule," he advised. "After

all the salesman carries away with him his impression of the company we represent," Wiskochil said.

Schedule Must Be Flexible

In the pro and con session members agreed the purchasing agent must maintain a flexible schedule in order to give the salesman every opportunity to reach him.

"See him for at least five minutes" was the accepted view. If you find he has something that interests you, you may find your-

self talking to him for an hour.

Some cardinal rules for behavior were set by the clinic: Never let the salesman just sit. Tell him circumstances will not allow an appointment. Either ask him to wait, or tell him to return later.

When the salesman is wordy and has run out of time, either tell him so directly, or hint broadly work is piling up, or use the "would you mind coming back?" approach. This is a play-by-ear situation, members concluded.



NAPA BRASS CHAT before a recent Dallas P.A. Assn. meeting. L-R, Paul Talley, pres. of Dallas group, B. O. Lange, head of the Fort Worth Assn., T. O. English, NAPA pres., and Frank L. Scott, District II vp.

Fort Worth Buyers Get A Rundown on Plastics

Fort Worth—Two plastics industry officials helped the Purchasing Agents Association of Fort Worth get acquainted with the wide category of "plastic families" at the group's monthly meeting.

Lloyd Andrews and William Nolley of Cadillac Plastics & Chemical Co., displayed many of the plastics now on the market. They pointed out that these materials aren't cheap compared to natural materials but they may present a better buy because of their durability, flexibility, and other characteristics.

They ran through the list of various types of plastic materials, ranging from phenolic or laminate—probably the cheapest of the plastics—to teflon, the most expensive.

The Fort Worth purchasing agents also discussed proposed changes in the NAPA's constitution concerning the election of vice presidents.

Fearing that under proposed changes the small local groups would be bypassed for national vice president nominations, the P.A.'s passed a resolution urging the elimination of certain proposed requirements for nominees that concern length of local office service.

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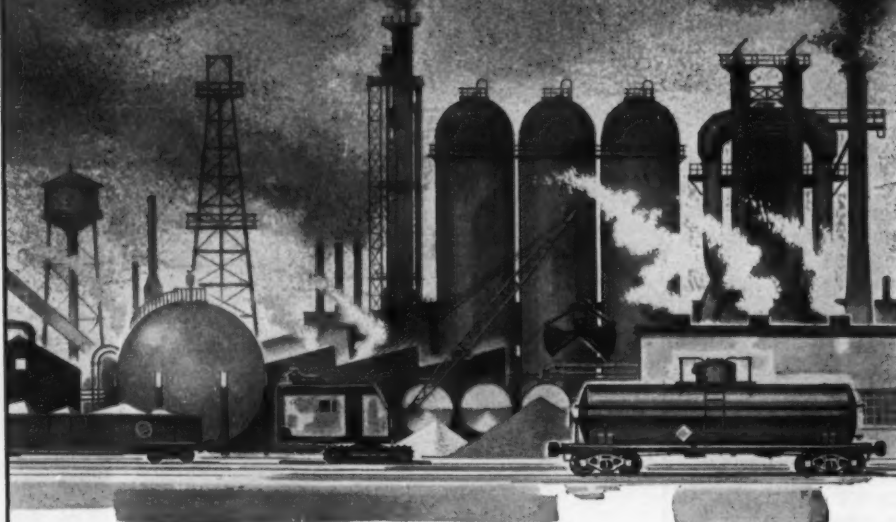
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Linoleum and Floor
Covering
Lubricant
Match
Metallurgical
Metal Working
Oil Cloth
Optical
Paint, Varnish and Lacquer
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Purchasing Perspective

MARCH 14-20

(Continued from page 1)

cial government monthly reports. A closer look at the figures shows:

Purchased materials: The January rise of \$400-million in material for production was twice the December increase, indicating a substantial inventory buildup concentrated in durable goods. This accumulation has slowed, however, as P.A.'s, having replenished depleted steel supplies, now seek to avoid inventory excesses.

Goods-in-process: This inventory grouping—goods actually on the production line—showed only a small increase in January. This would fit in with recent production cutbacks from earlier break-neck production paces being set at yearend and in the early weeks of January.

Finished goods: This inventory category also rose in January, but only slightly. This meant no backup in goods was occurring and that finished products were moving into sales channels at the same pace as they came off manufacturing lines. What increase there was in finished goods was accounted for mainly by petroleum.

Restating the inventory figures still another way: The inventory-sales ratio for all manufacturing in January was a low 1.7 to 1; but for durables, the January pickup in purchased materials boosted the ratio there 2 to 1. For non-durables it was 1.5 to 1.

BUYERS NOTE—Materials handling manufacturers are buoyed by reports of increasing capital expenditures for new construction, expansion, and modernization. Order books are bulging at many firms with numerous buyers specifying very short lead times. As of now, 1960 stands to rack up record sales.

Equipment makers credit much of the order activity to what they describe as industry's recognition of materials handling as a "last frontier" for savings in production costs. More material engineers are being invited to participate in new plant original layouts. That means P.A.'s will be buying more processing systems, not just individual accessories.

PERSONAL—Do-it-yourself woodworkers now can saw, chip, and chisel in green lumber—even if you have just whacked the wood out of a tree in your backyard—without fear that the handiwork will shrink or crack later on. All you have to do is coat or dip your creation in polyethylene glycol-1000.

A U. S. Forest Products Laboratory researcher, Dr. Alfred J. Stamm, found that when you apply the melted or dissolved chemical, the green wood absorbs enough bulk to balance evaporation in cell structures. The treatment seems to act as a decay preventative, too.

Seaway Slates April 15th Opening

Montreal—The St. Lawrence Seaway, from Lake Ontario through to Montreal, is expected to be open for the 1960 navigation season by April 15. Last year, for its first season, the Seaway opened on April 25th.

Unless weather and ice conditions prevent its carrying out, the complete schedule of opening dates will be as follows:

Welland Canal and Third Welland Canal	April 1
Sault Ste. Marie Canal	April 4
South Shore, Beauharnois, Iroquois Canals	April 15
Lachine and Cornwall Canals	April 15
Welland-Dondero Canal & ancillary locks	April 15

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Menthol, Formosan, lb.	.50	\$9.00	short supply
Rosin sizes, Hercules, April 1.	11%	....	....
Calcium carbonates, precipitated, Diamond alkali, Apr. 1	6%	....	incr. costs
Isophthalic acid, oronite, treckld., lb.	.02	.18	....
Gasoline, Mobil, Wisconsin (9 cos.), dlr, tnkwgn., gal.	.009-.018	.128-.137	price adjustments
REDUCTIONS			
Industrial sugar, Northeast base price, 100 lbs.	.15	\$9.20	competition
Acrylic plastic molding powder (Implex), Rohm & Haas, natural color, treckld., lb.	17%	.465	expand market
pigmented grades, treckld., lb.	19%	.485	expand market
Gasoline, Mobil, Wisconsin (5 cos.), dlr, tnkwgn., gal.	.02	.146	price adjustment
Plywood, Douglas fir sanded, Northwest, 1/4", 1000 sq. ft.	\$4.00	\$64.00	oversupply
Tin sales, potassium stannate, lb.	.004	.776	metal ease
sodium stannate, lb.	.005	.663	metal ease
tin crystals, anhyd., lb.	.006	.995	metal ease

Are Small Fabricators Being Squeezed?

(Continued from page 1)

Council, "they are selling their own extrusions below costs in the U. S. in an attempt to squeeze the independent extruder out of business."

Meanwhile, independent plastic extruders told PURCHASING

WEEK: "If the big chemical companies continue their programs of massive integration, it will eventually lead to the disappearance of the small molder and extruder."

While some steel fabricators said they were now being pres-

sured by steel mills "throwing their weight around competitively," they differed on the subject, saying they didn't feel these mills were involved in any collusive efforts to drive them out of business.

In another development, Rep. Sidney R. Yates (D-Ill.), chairman of the House Select Small Business Committee, said last week he would call a meeting of his group to consider whether to take up the charges of the Aluminum Extruders Council.

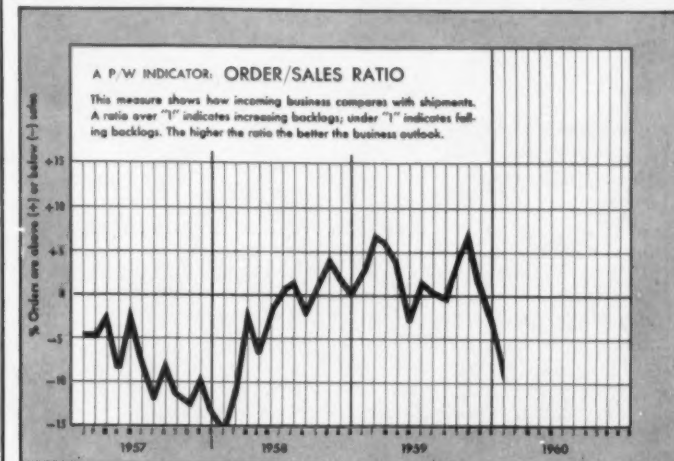
Yates said he also has received similar complaints from foil users and others in the aluminum fabricating industry. He said he was "very interested" in the Council charges, adding that "I intend to confer with members of my subcommittee."

Meanwhile, Alcoa, Reynolds, and Kaiser declined official comment on the issue "until our lawyers have a chance to examine the situation."

One top executive, however, labeled the council charges "ridiculous. We don't establish extrusion prices in this country," he said. "Prices are set by competition. And the competition in this case is the independent extruder."

"We develop new machinery, introduce new products which he's afraid to touch until they become well established in the market. Then after we've done all the market development and invested all the heavy capital, he wants us to just lay down and die," the aluminum official added.

At least one large independent steel and aluminum fabricator agreed. "Most of the small fabricators are marginal operators. They've pulled this 'sour grapes' routine before, and they'll do it again," he declared.



ORDERS FELL 7.8% BELOW SALES in January—making for the biggest such gap in nearly two years. The gap was particularly large because the two were moving in opposite directions.

Commerce Dept. Launches National Program to Expand U. S. Exports

Washington—Government officials are launching a national program to expand exports comparable to the postwar national export drives conducted by many European countries.

Secretary of Commerce Frederick H. Mueller last Monday outlined the Administration's proposed export promotion program to some 160 businessmen with a stake in exports. His aim was to get a cross section of business opinion as to whether a national export drive is needed, how business might be organized to back it, what the government's role should be.

In a related effort, the Commerce Dept. has begun a series of weekly meetings on ways of increasing exports with spokesmen for some 40 industries. The purpose is to find out what foreign tariffs and other trade barriers the government should try to bargain down at the GATT international tariff negotiations beginning next fall. Beyond that, officials will sound out businessmen on other steps the government could take to boost exports.

Commerce officials met with

14 representatives of the machine tool industry on Monday. The tool makers complained that U. S. exporters are at a disadvantage in competition against tool builders from countries such as West Germany whose governments provide financing credits to private business.

The builders reported that export sales of general-purpose tools are sliding off, but that foreign orders for special-purpose automated machines are continuing to come in at high levels.

Some of the builders sought official advice on whether to seek new business in Russia. The Commerce officials were unable to say anything definitive. But other builders were skeptical about the potential tool market for U. S. equipment behind the Iron Curtain.

On Capitol Hill, Sen. Warren G. Magnuson's (D-Wash.) Interstate and Foreign Commerce Committee will begin hearings soon on the current export picture and measures to increase exports. The Administration's program, which will require Congressional action, is slated to become the focal point of these hearings.

The Administration's export expansion program breaks down into three parts:

- The Export-Import Bank will offer limited credit guarantees to U. S. exporters against specified political—but not commercial—risks involved in selling abroad.

- Government assistance to U. S. exporters abroad will be increased and improved in quality.

- Commerce Dept. will improve its domestic services and information to exporters and potential exporters, seek closer liaison with the exporting community, try to encourage business to organize itself more effectively to compete in foreign markets.

Where Can I Buy?

Some products are easy to locate, others difficult. Perhaps you can help one of our readers who knows exactly what he wants but doesn't know where to get it. And keep in mind that you can make use of this PURCHASING WEEK service at any time.

While you are answering our reader's request, would you also send us a carbon copy of your answer.

"We would be pleased if you could help us locate a source of supply for plastic eavestrough."

J. A. Deyell
Purchasing Agent
Mining and Reduction Div.
Falconbridge Nickel Mines Ltd.
Falconbridge, Ontario

Distributors Cut Tags On Cotton Print Cloth

New York—An apparent oversupply of unfinished cotton print cloth has resulted in sporadic price cuts at the distributor level.

Industry sources say textile mills may try to solve this problem quickly through production cutbacks since it comes at a time when labor costs are rising—and mills are trying to push through selective price increases.

Reverse Twist Put on the Hard Sell

(Continued from page 1)
sis on this function because, as one P.A. put it:

"The pattern of doing business is rapidly changing as competition increases, both at home and abroad. A close buyer-supplier relationship—or partnership if you may—is a must to produce top quality products and compete in today's markets."

Further evidence of the importance being placed on "protecting and developing supply lines" came to light recently when Chrysler Corp. promoted a staff purchasing agent, Stanley Baltzly, to the newly created post of director of supplier relations.

Baltzly, who reports directly to B. W. Bogan, corporate vice president in charge of over-all organization planning, functions much like the auto maker's dealer policy board—"as an objective person who is ready to discuss both the good and bad."

His "discussions" with suppliers so far have averaged 50 a week on a man-killing schedule that includes breakfast, lunch, and dinner meetings as routine. Much of it takes place at out-of-town vendor plants. The substance of his talk is, "here we are, this is what we're doing and here's where we're going."

"Suppliers must have a consistent, good, sound, fair image of Chrysler in mind," W. C. Cawthon, the firm's general purchasing agent told PURCHASING WEEK. "We want them to be part of the team, like any other department in the plant. That's why we assigned a man specifically to this job."

The survey showed that in the all-out drive by P.A.'s to improve supplier relations, five important programs are being given particular attention. They are:

• Welcome Brochures: Many

purchasing departments are working closely with their public relations people to develop explanatory company literature specifically for vendors. These are handed to visiting salesmen. The brochures are designed to tell vendors everything they might need to know about the company, its products, its policies, and its operations (see centerspread, pp. 24-25).

• **Vendor Seminars:** This technique is taking the form of a hear-see-examine type of education for suppliers. One big East Coast paper producer holds such seminars twice a year for groups of two or three representatives from each of five or six non-competing suppliers.

The program, called "Operation Mutual Benefit," starts with a half-day orientation session where suppliers listen to a description of the company, its history, its broad product line, and type of distribution. This is followed by lunch at a private club, a plant tour, and a buyer-supplier discussion aimed at achieving lower costs and better service.

• **Round-Table Sessions:** This type of program could be called an advanced seminar. Vendors are called in to discuss problems with various company departments, including purchasing. The sessions are usually held on a regular basis, every month or two.

Emerson Electric Mfg. Co., St. Louis, for example, schedules such round-table discussions with its main steel, copper, and wire suppliers every 30 to 45 days. The result: "We are kept abreast of latest developments in products we might be able to use. Also, suppliers know our current problems and help to solve

them," explains Les Dahlheimer, purchasing director.

• **Vendor dinners:** This is the "good neighbor policy" part of supplier relations and this social angle is being given widespread attention. Many companies hold annual or semi-annual banquets for their suppliers' top brass and their wives—either for their major suppliers or all suppliers.

As part of the "good neighbor policy" some companies now insist that if a salesman takes the purchasing agent out to dinner, the P.A. must reciprocate, also, some firms hold special lunches—or dinners—for different suppliers every month. "It's nice to be nice," said the P.A. for a large Midwest manufacturer, "and it also pays big dividends."

• **Vendor Evaluation Programs:** This would be tabbed the advance course in supplier relations—the partnership has reached the point where both sides can criticize without hurting each other's feelings.

Waste King, Los Angeles manufacturer of home appliances and electronic components, is one of the many firms currently setting up a formalized vendor evaluation program. The company plans to rate vendors on such things as: delivers per schedule; replaces rejections promptly; maintains consistent good quality; does not ask for special considerations; is not a chronic complainer; has flexibility to help in emergencies, etc. Waste King will give quarterly awards to those vendors that show up well in this evaluation.

What about those who don't? "If they make no apparent effort to improve," a company spokesman said, "there is a strong possibility that the work will be taken out of the supplier's shop."

Late News in Brief

ITC Boosts Quotas

London—Tin-producing nations will be allowed to increase exports during the June quarter. The International Tin Council last week boosted export quotas for the period to 37,500 tons, an increase of 1,500 tons over the current quarterly limit.

Too Much Copper

New York—To avoid excess stocks and wide price swings, major copper suppliers must restrain production over the next few years, Phelps Dodge President Robert G. Page said last week. An excess of 10% in world capacity over consumption was indicated last year prior to the U. S. copper industry strike, Page said.

Space-Age Switch

Washington—Space Components, Inc., has announced development of a simple magnet switch designed to replace conventional spring-linkage types. The firm said the magnetic device has potential applications ranging from household use to missile control systems.

Cut in Wafer Prices

Bradford, Pa.—Corning Glass Works' Electronic Components Dept. has reduced prices of W and WL types of glass wafer capacitors by as much as 50%. The company said the reductions make items more competitive with mica and ceramic capacitors.

New Procurement Hearing

Washington—The Senate Small Business Committee will open a three-day round of hearings into military procurement policies starting April 5. The committee's special interest: Pentagon purchases through negotiation with a single company.

The committee is concerned that lack of competition for defense contracts is holding back award of business to smaller firms.

Phenolic Kraft Paper Has New Uses

(Continued from page 1)
chamber which liquefies the resin and makes the sheet easy to work (the kraft fibers absorb moisture). The pliable sheet is placed in a heated mold and formed at pressures of 300 to 500 psi. Tooling is said to be inexpensive when compared with that needed to make similar products from plastic.

The most common boards now in use contain 25% to 40%

resin by weight. The 25% resin board costs \$550 a ton. Fireproofing runs the cost up another \$15 to \$20 a ton.

L. A. Darling's Plastic Div., which used the material for mannequin forms, claims the Consolidated board saves 20% over conventional hand-forming papier-mache methods previously used to make the mannequins. Equipment cost about \$30,000 and full production is 200 units/day.

Industry's Capital Expenditure Plans: Up 14% Over 1959

(Continued from page 1)
Department business advisory council found the 14% gain heartening. "Our predictions are still averaging around \$510-billion Gross National Product for the year," one of the economists said. "Maybe we are not quite so confident of hitting it as we

were three months ago, but we're not changing our minds on the basis of what we know now, particularly with industry's spending plans for the future looking so firm."

"There's plenty of muscle in the current rise," one official said. "Particularly in the way

every category of manufacturing is sharing in the swing."

The current survey is more likely to under-state actual performance than to overstate it. Usually, when business goes into a period of rising outlays, the surveys are on the conservative side.

What Industry Intends to Spend*

Plant and Equipment Expenditures: Seasonally Adjusted Annual Rates:

	BILLIONS OF DOLLARS			MILLIONS OF \$	
	1ST QTR 1960	2ND QTR 1960	2ND HALF 1960	1959	1960
Manufacturing	13.89	14.57	16.03	12,067	15,132
Durable goods	6.88	7.23	8.26	5,773	7,662
Nondurable goods	7.01	7.34	7.77	6,294	7,470
Nonmanufacturing	21.43	22.34	21.88	20,476	21,884
Mining .....	.96	1.01	1.02	987	1,004
Railroads .....	.99	1.13	.97	923	1,015
Transportation other than rail	2.26	2.43	1.94	2,022	2,144
Public Utilities	5.80	6.02	6.22	5,667	6,066
Commercial & other	11.42	11.75	11.73	10,877	11,655
Total	35.32	36.91	37.91	32,543	37,016

* As reported to the Commerce Dept.

Who's Moving Ahead Quickest*

Percentage Changes in Manufacturing

	1959 to 1960	1960 to Previous Historic High (Most in '57, Some '56)
Total manufacturing	Up 25%	5% under old high
Durables	Up 33%	4% under
Iron and steel	Up 67%	Equals previous high
Non ferrous metals	Up 19%	54% under
Electrical machinery	Up 43%	24% over
Machinery except electrical ..	Up 30%	7% under
Motor vehicles	Up 59%	40% under
Other transportation equip. ..	Up 19%	15% under
Stone, clay and glass	Up 29%	Equals previous high
Non-durables	Up 19%	6% under
Food and beverages	Up 2%	1% under
Textiles	Up 14%	1% over
Paper	Up 10%	14% under
Chemicals	Up 33%	5% under
Petroleum	Up 18%	15% under
Rubber	Up 34%	26% over

* As reported by the Commerce Dept.



James H. Worth, Vice President, Celanese Chemical Company, a division of Celanese Corporation of America

"Moore forms help us save \$16,000 a year in billing"

A NEW SYSTEM ALSO GIVES CELANESE BETTER CONTROL OF INVENTORY

Celanese Chemical Company's automated order-invoice system has changed the company's paperwork picture. It provides accurate weekly sales analysis for faster market forecasts. As a bonus benefit, the system saves both time and money—Celanese can handle 25% more billing with no extra operating costs.

Teletypewriters and electric accounting machines, working with punched tape and cards, do the job. They automatically print orders, invoices and summary reports on special forms. The forms in turn provide copies for every need. The chief operating benefits are the time saved (for example, invoices now go out the next day) and freedom

from error. The forms are designed and made by Moore. They are the company's control in print.

"The Moore man's advice on paperwork was invaluable to us," said James H. Worth, Vice President, Celanese Chemical Company. You'll find the Moore man's knowledge of all kinds of systems can help you get the control your business needs. Look him up in the Yellow Pages, or contact the nearest Moore office. No obligation, of course.

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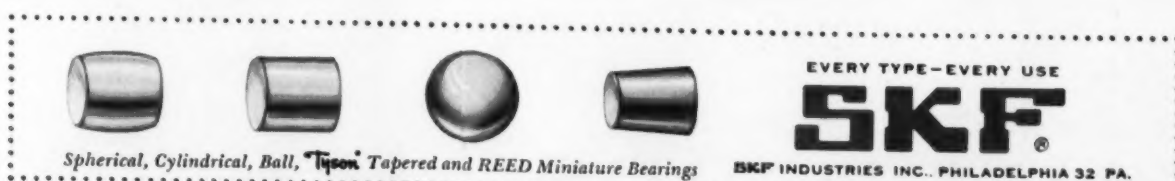
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